

Farming and Raw Materials

Japan seeks aluminium import cut

By Our Commodities Staff
JAPANESE aluminium smelters are negotiating with overseas suppliers to defer part of their aluminium exports to Japan. Mr. Ichiro Nakayama, president of the Japan Light Metal Manufacturers' Association, said in Tokyo yesterday, reports Reuters.

It is understood that talks with overseas suppliers have been going on for some weeks, but that pressure from the Japanese has been growing with the rise in the value of the yen and the fears that the 10 per cent. surcharge on U.S. imports will lead to a sharp decline in Japanese car sales to America, unjustified by sales figures so far.

However, there is no doubt that Japanese aluminium smelters are faced with considerable problems. It is estimated that surplus stocks have built up to over 100,000 tons, and Mr. Nakayama said plans were in hand to "freeze" them with the help of financial institutions and trade companies. At the same time the smelters plan to increase the cutback in production from 10 to 12-13 per cent.

Australia to raise wheat quotas by 10%

SYDNEY, Nov. 10.
AUSTRALIAN wheat industry leaders expect a 10 per cent. rise in production quotas in the 1972-73 season.

Quotas are recommended by the Wheat Growers' Federation of Australia.

Actual wheat production in Australia will be in excess of quotas.

Last season sales by the Wheat Board were a record 310m. bushels. This season they are expected to be considerably lower, about 214m.

Earlier this week Mr. J. F. Cass, chairman-elect of the Australian Wheat Board, said the 1971-72 harvest for the Board will probably total about 260m. bushels, nearly 80m. bushels short of the national quota. He told the New South Wales United Farmers' and Wool Growers' Association he expected higher quotas next season.

European farmers demand higher prices

By JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE COMMON MARKET farmers' representative organisation, COPA, is demanding price increases averaging 11 per cent. for the year 1972/73, and varying in individual commodities from 15 per cent. for hard wheat down to 3 per cent. for maize and 6 per cent. for soft wheat. This is in reply to the Commission's proposals which limit the increases to a maximum of 3 per cent.

This was reported yesterday by Mr. Henry Plumb, president of the National Farmers' Union, who has just led a delegation representing the three British NFUs to a meeting with the members of COPA in Brussels.

It was an exploratory meeting to decide just how far the farmers of the applicant countries would be able to join in discussions with existing members during the 14 months until Britain becomes a member in January 1973.

In particular, the U.K. farmers wished to take part in any discussions affecting commodities not yet covered by the existing EEC regulations such as sheep, lamb and potatoes. And the same also applied to farm organisations of the other three applicants—Ireland, Norway and Denmark.

This has been agreed and meetings will be held of the representatives of all ten countries every two months.

For a long time COPA had been a voice crying in the wilderness, all but ignored by the Commission but the Council of Ministers has now directed that COPA should be consulted when making the criteria on which prices are fixed. The Commission's Economic and Social Council has also supported COPA's present demands on the grounds that farmers' incomes are lagging far behind those of industry in this inflationary period.

Government role.
This, according to Mr. Plumb, could foreshadow the inception of the Annual Review principle dear to the NFUs' heart. But whether it would become a price fixing operation is questionable. Even the Commission's own recommendations are subject to the consent of the Council of Ministers.

There are also grounds for considerable conflicts of interest between individual members of COPA. For instance, common quality standards for all horticultural products will become mandatory by entry, and British

growers will have a hard time conforming to Community standards.

Also during the transitional period some EEC producers will be receiving restitutions for exports in such a way that our own markets could be disrupted.

The NFU expect to become full members on the date of our accession, but the degree of their influence is problematic. It will be in very much a minority on COPA's council and it is believed that the NFU of Scotland is determined on individual membership.

The cost of membership is unknown at present, but the NFU expects to be represented permanently in Brussels and secured a hefty rise in subscriptions from members partly for that contingency.

At the same time membership of COPA is in no sense a substitute for the NFUs' present policy of close contact with EEC.

In the last resort all decisions affecting farmers will be decided by the Council of Ministers on which the only representation will be through British farmers' interests will ultimately depend.

French nickel ship sinks

By JOHN EDWARDS

THE French freighter *Maori* carrying nickel from New Caledonia to Le Havre, which sank in the Atlantic on Tuesday with the loss of 38 lives out of the 39-man crew, was carrying nearly 3,000 tons of nickel, it was estimated yesterday.

A spokesman for Societe Le Nickel in Paris yesterday said that inquiries were still going on into the cause of the disaster.

He said the ship was carrying 1,500 tons of nickel worth an average nickel content of 75-80 per cent., and some 5,000 tons of ferro-nickel, with a nickel content of between 25-30 per cent.

New Caledonian nickel exports in the first nine months of this year totalled 59,332 tons of metals and 3.1m. tons of ore, the Mines Department there

announced earlier this week. Total Western world nickel output is around 500m. tons a year.

Meanwhile in Montreal yesterday the International Nickel chairman, Mr. Henry S. Wingate, said that despite the low level of nickel sales in 1971 so far, his company was planning to spend about \$250m. in capital expenditure on a phosphate rock boom.

He said that the nickel market had been reduced from previous estimates by efforts to cut or stretch out capital programmes.

Mr. Wingate said that large capital expenditures were still proposed to expand and modernise production capability in Canada and elsewhere because of a strong long-term growth in the market for nickel was anticipated.

He forecast that nickel consumption in the non-Communist world in 1980 would approach 2,000m. lbs or twice the level of the record set in 1970.

Sales by Inco in the first nine months of 1971 had been \$614m. compared with \$503m. for the same period of 1970.

Some of the loss in value of sales this year can be attributed to the changes in international exchange rates since the "floating" of the Canadian dollar last year.

In Britain, for example, it is understood that consumers will receive a rebate of just over £45 a ton from the official producer price of £1,248.5 a ton for October deliveries.

Copper buffer stock call

By OUR COMMODITIES STAFF

A PLEA for the World Bank to help in stabilising the price of copper by providing funds and technical advice for buffer stock financing was voiced by Mr. John Mwanakatse, the Zambian Finance Minister, in Kowe yesterday, reports Reuters from Zambia.

Mr. Mwanakatse said an effective solution could be found to the current problem of "abnormally low" copper prices unless the surplus supplies available could be reduced—this was where the World Bank could come in.

Meanwhile on the London Metal Exchange yesterday copper prices eased again following news that the workers at Anaconda's Raytheon copper refinery in the U.S. had voted to

extend their labour contracts until November 17 while talks continued on the terms of the new contracts, originally planned to start yesterday.

An even greater influence on the Exchange is the threatened strike by West German metal workers, who yesterday staged short stoppages of 30-40 minutes at several car manufacturing plants in protest against the Baden Württemberg Metal Industry Employers' Association's rejection of a compromise formula aimed at settling the dispute.

In Santiago, a copper workers' federation spokesman said workers at Chuquibambilla Mine rejected a request by Chilean President Allende to cut down their wage demands.

Uptrend in land values resumed

By Our Commodities Staff

THE STEADY increase in the price of farmland has resumed according to the latest figures compiled by the Institute of Agricultural Economics, Oxford.

Indeed, the Institute says that on present evidence, the fall in the price of farms reported last year appears to be no more than a downward kink in the otherwise consistent rise over the last 15 years.

The average for all farms was £209 an acre in the first nine months of 1971 compared with £256 an acre in the same period of 1970 but £202 an acre in the first nine months of 1969. Farms in the 50 acres to 300 acres bracket averaged £229 an acre the first nine months of this year against £235 last year and £269 an acre in 1969.

The estimates are based on data extracted from auction sales reports in the Estates Gazette.

Egg trade still in small hands

By Our Commodities Staff

ALTHOUGH self-service stores now have a 64 per cent. share of the total grocery sales in Britain, they have only 20 per cent. of the trade in shell eggs, according to Mr. Glynn Andrews, Product Manager (Animal Feeds) of the Dalgety group.

At the Farm Management Association conference in Cheltenham that milkmen, egg producers and other self-service stores put together.

Mr. Andrews said the most marked change of recent years was a swing to producer-retailing, which had been prompted by diminishing producer margins and demand for "fresh" brown eggs. He believed a significant expansion in supermarket sales would not come until the low-income egg products were developed at competitive prices.

Manholt urges 'replace DDT'

By OUR COMMODITIES STAFF

DR. SICCO MANHOLT, vice-president of the European Commission, disagreed yesterday with claims by Nobel Peace laureate Norman E. Borlaug that DDT and pesticides are harmless and are necessary for an adequate world food supply.

Dr. Manholt told the FAO governing conference in Rome yesterday that massive use of chemicals such as DDT can lead to serious side-effects and hurt the environment. He is urging their replacement by less persistent pesticides.

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Warning of world sugar shortage in 1970s

By OUR COMMODITIES STAFF

A WARNING that an acute shortage of world sugar supplies could develop in the 1970s, unless measures are taken for production to be increased to the same rate as consumption, was given by Dr. Albert Viton, head of the UN Food and Agriculture Organisation's sugar, beverages and horticultural crops division.

Speaking at an international symposium in Brussels on prospects for the world sugar economy, Dr. Viton warned delegates against complacency over future sugar requirements. He said that there had been a "restructuring" of sugar consumption during the past 20 years, he pointed out, and the FAO forecasts estimated an even higher rate of expansion between now and 1980.

It was predicted that world demand for sugar in 1980 would reach 22.8m. tons, an increase of 21m-22m. tons over 1970. Half of this increase would be concentrated in low-income developing countries, with western countries accounting for only 27 per cent. of the increase.

The remaining demand increase is projected for centrally-planned countries.

Dr. Viton said the total FAO world projection included a rise in Communist countries' sugar consumption from the estimated 18.7m. tons in 1970 to about 23.3m. tons. In Latin America the expansion is from 10.2m. to 14m. tons.

Central problem

In Western Europe, consumption is likely to increase by only 1.6 per cent. a year, with an estimated increase of from 6.5m. to almost 8m. tons in the Common Market.

Where in the additional 21m-22m. tons required to meet the expanded demand of the 1970s to come from—and in particular the 11m-12m. tons required by the low-income countries," Dr. Viton asked.

This was the central problem of the world sugar economy, he declared, and warned that unless sugar producers tackled the problem of assuring sufficient expansion of productive resources, the same was not true of single bad European harvest

could produce a world deficit.

"Following the decline in world stocks in 1970-71, such a deficit (this season) would have been bad, inexorably and inevitably, very substantially—possibly explosive—effects on free market prices," he added.

Given the comparatively poor adaptability of the low income countries, Dr. Viton said he suspected such price increases would be of longer duration than the sugar and their repercussions would go further.

Dr. Viton said the catastrophe had been averted, but for how long?

In 1973 the world would require, at current prices, 6m. tons more than in 1970. But available data did not indicate that either the areas under beet and cane or factory capacity were being expanded to cope with the increased demand.

The solution was to organise through international consultation and co-operation planned expansion of production according to rational criteria of socio-economic needs and relative costs.

One constructive step would be the gradual phasing out of direct and indirect subsidies on sugar exports, he suggested.

Dr. Viton said the next few years, with the demise of the International Sugar Agreement in 1973, and scheduled review of the British Commonwealth sugar structures in 1974, would provide unprecedented opportunities for reconsideration of the structure of the world sugar economy—and for its reconstruction.

Confirmation of the FAO consumption projections came in another report to the symposium by Dr. Hugo Ahlfeld, manager of F. O. Light, the well known sugar statisticians. According to his figures, world sugar consumption would reach 89.6m. tons in 1975-76, and climb to 104.2m. tons in 1980-81.

Dr. Ahlfeld said his studies suggested the EEC would have no problem meeting consumption from domestic production during the coming decade, but the same was not true of Western Europe.

With the extension of "Common Market" import countries would be seeking more sugar, and the rate of loss in consumption from 1970-71 1980-81 would reach 3.5 per cent. for the EEC and 2.5 per cent. for Western Europe.

U.S. consumption

In North America he stressed the importance of Cuba and U.S., and predicted a growth in consumption of 2.9 per cent. Large production, he said, meant there would never be a difficulty in covering U.S. consumption.

Dr. Ahlfeld said the same was true for South America, for instance, an expected rate of increase of 4.1 per cent.

He felt consumption would progress at the rate of 3.5 per cent. over the next 10 years. Africa, and in Asia at least 1 per cent. Overall, the rate of increase should continue at about 3.15 per cent.

Mr. Ernest Jones-Parry, executive director of the International Sugar Organisation, said the International Sugar Agreement negotiated at Geneva in 1968, by fully lived up to its objective of raising the level of international trade in sugar, and particularly of increasing export earnings of developing countries.

The quota system had worked well, and supply and demand had been kept in balance. But production restraints accepted by member countries had not been strictly followed, and he said that despite a need for an International Sugar Agreement would not diminish and restraint would continue to be required to prevent excess supplies—a pre-condition of price stability.

If four applicant countries—Denmark, Ireland, Britain and Norway—entered the EEC, Community would become a large net importer of sugar instead of being a net export.

The sugar policies of enlarged Community would be a major factor in promoting viability of a new International Sugar Agreement to replace the present one in 1974, he added.

Early start to Israeli citrus season

By OUR OWN CORRESPONDENT

ISRAELI CITRUS is ripening earlier than usual, and growers are selective picking of oranges this month, as well as advances to three weeks late. The chances are therefore excellent for Israeli Navel and Jaffa (Shamouti) oranges that can be picked now, but the market will become highly competitive in the coming months.

Dr. Manholt said that massive use of chemicals such as DDT can lead to serious side-effects and hurt the environment. He is urging their replacement by less persistent pesticides.

Board is therefore offering growers special premiums for selective picking of oranges this month, as well as advances to three weeks late. The chances are therefore excellent for Israeli Navel and Jaffa (Shamouti) oranges that can be picked now, but the market will become highly competitive in the coming months.

To alleviate the manpower shortage which affects packing houses as well as groves, 40 per cent. of this year's exports will be treated with TEEZ and not individually wrapped.

Nearly all of the season's grapefruit exports are to the U.S. in this form, as are those of lemons, which are also sent in cartons, experiments with this form of shipment have proved successful last season.

It is also proposed to use greater use of bulk bins of grapefruit and Shamouti, as well as roll-on roll-off systems. The overall export of Israeli citrus exports during 1971-72 season is unchanged, 51m. containers (1.3m. more last season).

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Down on balance on the London Metal Exchange, but above the day's lowest levels. Initial ease was caused by further consideration of the possible strike by West German steelworkers in the near future and the postponement of a strike decision at Anaconda's Raytheon refinery which was expected to have shut down overnight on Tuesday. In the afternoon, however, the U.S. market held steady owing to increased consumer interest and this was reflected in prices here which staged a small recovery. Turnover 6,275 metric tons.

| COPPER | Nov. 10 | Nov. 9 | Nov. 8 | Nov. 7 |
|-----------|---------|---------|---------|---------|
| 3 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 6 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 12 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 3 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 6 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 12 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |

| LEAD | Nov. 10 | Nov. 9 | Nov. 8 | Nov. 7 |
|-----------|---------|---------|---------|---------|
| 3 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 6 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 12 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 3 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 6 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 12 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |

| ZINC | Nov. 10 | Nov. 9 | Nov. 8 | Nov. 7 |
|-----------|---------|---------|---------|---------|
| 3 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 6 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 12 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 3 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 6 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 12 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |

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OFFICE

| SILVER | Nov. 10 | Nov. 9 | Nov. 8 | Nov. 7 |
|-----------|---------|---------|---------|---------|
| 3 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 6 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 12 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 3 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 6 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 12 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |

| COCONUT OIL | Nov. 10 | Nov. 9 | Nov. 8 | Nov. 7 |
|-------------|---------|---------|---------|---------|
| 3 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 6 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 12 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 3 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 6 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 12 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |

| GRAINS | Nov. 10 | Nov. 9 | Nov. 8 | Nov. 7 |
|-----------|---------|---------|---------|---------|
| 3 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 6 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 12 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 3 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 6 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 12 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |

PRICE CHANGES

| PRICE CHANGES | Nov. 10 | Nov. 9 | Nov. 8 | Nov. 7 |
|---------------|---------|---------|---------|---------|
| 3 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 6 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 12 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 3 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 6 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 12 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |

MEAT/VEGETABLES

| MEAT/VEGETABLES | Nov. 10 | Nov. 9 | Nov. 8 | Nov. 7 |
|-----------------|---------|---------|---------|---------|
| 3 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 6 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 12 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 3 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 6 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 12 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |

SUNFLOWER OIL

| SUNFLOWER OIL | Nov. 10 | Nov. 9 | Nov. 8 | Nov. 7 |
|---------------|---------|---------|---------|---------|
| 3 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 6 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 12 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 3 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 6 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 12 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |

WOOL FUTURES

| WOOL FUTURES | Nov. 10 | Nov. 9 | Nov. 8 | Nov. 7 |
|--------------|---------|---------|---------|---------|
| 3 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 6 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 12 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 3 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 6 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |
| 12 months | 415.5-4 | 415.5-4 | 415.5-4 | 415.5-4 |

Canadian industry plans slowdown in expansion

BY OUR OWN CORRESPONDENT

OTTAWA, Nov. 10.

A SURVEY of capital spending intentions of major Canadian firms indicates that little increase in expansion is expected next year. The survey, released on Tuesday, says the surveyed firms plan to increase expenditures on new construction, machinery and equipment by 3 per cent in 1972 over 1971.

They increased capital spending by 10 per cent this year compared to last year. The survey suggests that Canada is facing a further slowdown in the economy — already operating below capacity with high unemployment.

The survey was based on a study of the capital spending intentions of 200 large companies. They expect to spend \$7,270m next year compared to capital spending this year of \$7,047m.

Uncertainty about future U.S. actions which might hit Canadian business is considered a major factor in the low increase in capital spending.

The imposition of the surtax and possible changes in the Canadian-American auto pact as well as proposed Disce legislation all combine to make many Canadian businessmen unwilling to undertake major new expansion. The Government expects 447,000 Canadians, where out of that its investment intentions

have increased since it enacted legislation to counter the surtax and allocated \$1,000m to stimulate the economy.

Ottawa also argues that businessmen have not had time to absorb these moves when surveyed. It also attributes the low increase in investment plans to the ending of several major construction projects this year.

Actual investment next year will be higher than the survey indicated, the Government predicts. But equally it admits that the survey indicates problems in Government efforts to get the economy operating at a faster rate and reduce unemployment.

Unemployment

The country's unemployment problem has slightly improved in September and October, but the jobless level still remained at the unsatisfactorily high level of 6.7 per cent, when adjusted to take account of seasonal fluctuations in the economy. The seasonally adjusted rate in September was 7.1 per cent, the highest in ten years. In actual figures, unemployment rose from 5.9 per cent in September to 6.1 per cent in October when 44,000 Canadians were out of work. The labour force totalled

8,598,000 in October, 288,000 more than a year earlier. Meanwhile, exports in October were 6 per cent higher than in the same month last year. This was despite a slight decline in sales to the U.K. and a large fall in shipments to other Commonwealth countries. Exports in October totalled \$1,545m, some \$87m more than in October, 1970. There was an increase in shipments to the U.S. of \$124m, and to "other countries" by \$30m, which accounted for the growth. Particularly large declines occurred in exports to the European Economic Community (down by \$28m) and to other Commonwealth countries (down \$24m) in October. Cumulative exports for 10 months reached \$14,642m, almost 5 per cent greater than last year.

There appeared to be a continuing strength in shipments of lumber, petroleum and natural gas, wheat and automotive products. Iron ore exports continued to decline from year to year, while the growth of nickel and copper ores reversed the weak pattern established earlier in the year. Refined metal shipments showed a moderate decline. Sales of aircraft equipment and of communication equipment dropped sharply.

Dramatic fall in growth of U.S. money supply

BY NICHOLAS COLCHESTER

NEW YORK, Nov. 10.

THE Federal Reserve Bank of New York published figures today showing the dramatic way in which the growth of the U.S. money supply had been curbed since the start of 1971. In its monthly review, the bank speculates that this reduction in the very rapid rate of expansion that characterised the first half of the year may have been due to other factors besides the switch in policy of the Federal Reserve Board.

The figures show that the narrowly defined money supply, which includes currency in circulation plus demand deposits held by the public, expanded in the third quarter at an annual rate of 3 per cent — well down from the 11.3 per cent growth rate that was evident in the second quarter.

In September the money stock actually declined at an adjusted annual rate of 3.7 per cent. As a result of this the expansion of the money supply in the six

months ending at the end of September was reduced to 7.2 per cent, annual rate.

The monthly report notes that the Fed. began to clamp down on the money supply in the spring by increasing the pressure on the reserve positions of the member banks by residential availability of non-borrowed reserves. But the New York Fed. argues that the slowdown in the rate of growth of the money stock was not wholly due to this restraint. It may also have stemmed in part from the massive flow of private dollar balances abroad during August — both before and after President Nixon's autumn moves.

"These dollar outflows tended to have a negative impact on the growth of the narrowly defined money supply as corporations drew down their demand deposit balances at commercial banks," the New York Fed. notes that the gross demand deposits of non-

Nixon: Americans must pay the price for peace

CHICAGO, Nov. 10.

PRESIDENT Nixon has warned the American people that they must continue to pay the heavy price of world leadership if they are to end war and win a lasting peace.

The President, striking a "peace-through-strength" theme at two Republican Party dinners here and in New York, last night, said the U.S. could not abandon its world role because another country had the strength to assume it.

Mr. Nixon made his first direct personal intervention in the crisis over foreign aid, saying the risk of war would increase unless Congress restored the programme which the Senate killed on October 29.

He also strongly defended his decision to approve the controversial five megaton thermonuclear test blast on Amchitka Island in the Aleutians last Saturday. He said the underground test, aimed at developing

the Spartan anti-missile missile, was essential to keep the U.S. strong as it sought to reach agreements with the Russians on scaling down the arms race.

Speaking exactly a year from the day on the next presidential election, Mr. Nixon was seen and heard by thousands of Republicans on closed-circuit television throughout the country, who gathered to dine at \$500 a plate to swell the party's campaign coffers by more than \$5m.

Mr. Nixon's appearances at the two dinners were seen as a step-up in his undeclared candidacy for re-election to a second four-year term in the White House. But he virtually ignored the heavy political overtones of the evening and warned of the need for bipartisan support of a strong U.S. as he prepared for historic trips to Peking and Moscow to discuss grave differences with the Chinese and Soviet leaders.

Boost for urban transport

BY JUREK MARTIN

NEW YORK, Nov. 10.

THE flagging fortunes of urban mass transit in the U.S. received a small boost yesterday when the voters of Atlanta, Georgia, agreed to help fund a \$1,400m bus and rail system for the city. Only three years ago, they had rejected a similar proposal.

The Atlanta poll was by no means a complete triumph; the residents of the city and one of its principal suburban counties came out in favour of the one-cent sales tax that will help finance the project, but two other suburban counties rejected it decisively, meaning that the network will not run to these areas.

Even so, any sort of victory for the cause of efficient mass transportation in America's congested cities these days comes as a pleasant surprise. The growing fiscal conservatism on the part

of the American voter has defeated a number of proposals in the last couple of years designed either to build new systems or improve existing ones, while political and economic factors have delayed construction of systems already being built, as in Washington, DC, and San Francisco.

The key national vote in this respect in last week's off-year elections was the defeat in New York of a \$2,400m transportation bond issue. Although more than half the proceeds from the bond issue would have gone to highway programmes in the State, both Governor Rockefeller and Mayor Lindsay, in a rare political alliance, urged its passage because of the benefits it would bring to New York city's decaying subway network.

First Workers' Bank in Caribbean

BY OUR OWN CORRESPONDENT

PORT OF SPAIN, Nov. 10.

THE first workers' bank in the Commonwealth Caribbean opens here on December 1. Its authorised capital is £15m, and the Trinidad and Tobago Parliament has had to pass a special Workers' Bank Act in order to exempt the new financial institution for five years from corporation tax and stamp duty and its shareholders from income tax on their dividends.

The Workers' Bank's 9m shares are to be issued first to individual trade union members then to trade unions as corporate entities and afterwards to co-operative societies, private companies and other groups. The Trinidad and Tobago

Government will hold about 18 per cent of the equity.

ALITALIA CUTS TRANSATLANTIC FARES

NEW YORK, Nov. 10. ALITALIA, the Italian Airline, said it filed a new transatlantic fare package with the Civil Aeronautics Board, which is in line with the fares recently announced by Deutsche Lufthansa AG and which calls for reductions of 20 to 30 per cent in first-class and economy fares between Rome and New York.

GUATEMALA

The blood feuds continue

BY ALAN RIDING

Governments come and go in Guatemala, but the violence continues unabated. The blood feuds, the constant polarisation of opinion, the need to revenge acts of revenge, the sheer momentum of violence... all prevent a return to anything remotely resembling law and order. In the late Sixties, the extreme Left had the initiative; since General Carlos Arana Osorio came to office in July, 1970, the extreme Right has been on top. But the pendulum keeps swinging and the bodies keep falling.

In the past year it has been easy to blame the extreme Right for the bloodshed. Hundreds of Communist guerrillas, suspected Leftists, their relatives, friends and even passing acquaintances have been killed by the Army or the Right-wing terrorist organisation known as Ojo Por Ojo (an eye for an eye). No attempt has been made by the authorities to put a stop to the violence while the state of siege, which provides the Government with the freedom to eliminate the opposition, is now one year old and still going strong.

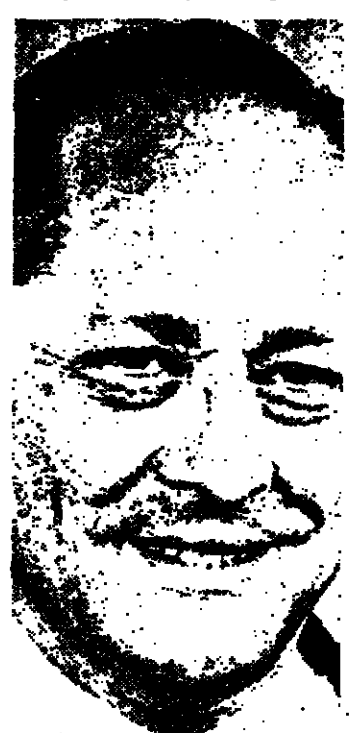
Wishful

But it is questionable whether Guatemala's extreme Right is any more guilty than the extreme Left. Some people argue that Ojo Por Ojo resume its activities after a lull last year in response to a Communist challenge to the new Arana government. There is evidence that the Castrolist Rebel Armed Forces (FAR) have decided to concentrate again on the countryside, having been badly hurt in the cities in the past year. In recent weeks, for example, several people linked to the government have been murdered in the mountainous state of Zacapa, including wealthy landowner Carlos Thompson who four years ago was involved in the then Colonel Arana's successful campaign against the rural guerrillas. If the FAR are recovering their strength, the chance of right-wing terrorism subsiding obviously grows smaller.

It may be wishful thinking, but there is widespread belief

here that President Arana is not directly responsible for the violence flowing from the authorities. According to this theory, Arana is a prisoner of the Right.

The President, a 32-year-old



President Arana: Reputation as a guerrilla-catcher.

and perhaps he even indirectly contributed to a resurgence of the Ojo Por Ojo by withholding the state of siege for several weeks when guerrilla actions resumed last year.

The essential problem would therefore seem to be Arana's political weakness—his initial weakness when the extreme Left reappeared and his continuing weakness in face of right-wing terrorism.

The one small hope of change stems from growing impatience among moderate army officers at the government's inability or unwillingness to deal with the rightist terrorism. As one diplomat put it, "a point is eventually reached when basically decent men say 'that's enough'". The moderates are not directly challenging the President; rather they are trying to give Arana the strength to purge the government and Army of the extremist elements who are directing the bloodshed through the Army, Police and Ojo Por Ojo.

The moderates have particular targets: Interior Minister Jorge Arenales Catalan, Defence Minister General Leonel Vassaux Martinez, Army Chief of Staff Kjeel Eugenio Laugerud Garcia and a group of MLN leaders, headed by Federal Deputy Mario Sandoval Alarcon, President of Congress and reputedly one of the brains behind Ojo Por Ojo.

The belief is that if this nest of extremists were cleaned out, then violence would subside. The analogy is drawn with the situation in 1968 when President Julio Cesar Mendez Montenegro, a left-of-centre former Law Professor, recovered control over his administration by firing Defence Minister Colonel Rafael Arreaga Bosque, National Police Chief Manuel Sosa Avila and the then Colonel Arana, who looked menacing after his successful campaign in Zacapa. The right-wing terrorism, which was then carried out under the flag of La Mano Blanca (The White Hand) organisation but was in essence the same as Ojo Por Ojo, was sharply reduced.

In his official statements, President Arana claims that the Government is caught between two groups of uncontrollable extremists. It is true that the

President cannot control these terrorists, but it is not true that they are "uncontrollable." Both groups are well organised and answer to orders from above. On the Right, Ojo Por Ojo thugs who have acted independently have often themselves been eliminated. The political violence may be indiscriminate but it is not accidental.

There are signs that the moderates are gaining ground against the extremists, though the extreme Right does not give up easily. It won power last year by taking Arana to the presidency and it is in no mood to surrender to the moderates after only 16 months on top. Well-placed Guatemalan sources believe that the hardliners might even be tempted to overthrow Arana if they thought their position were really threatened.

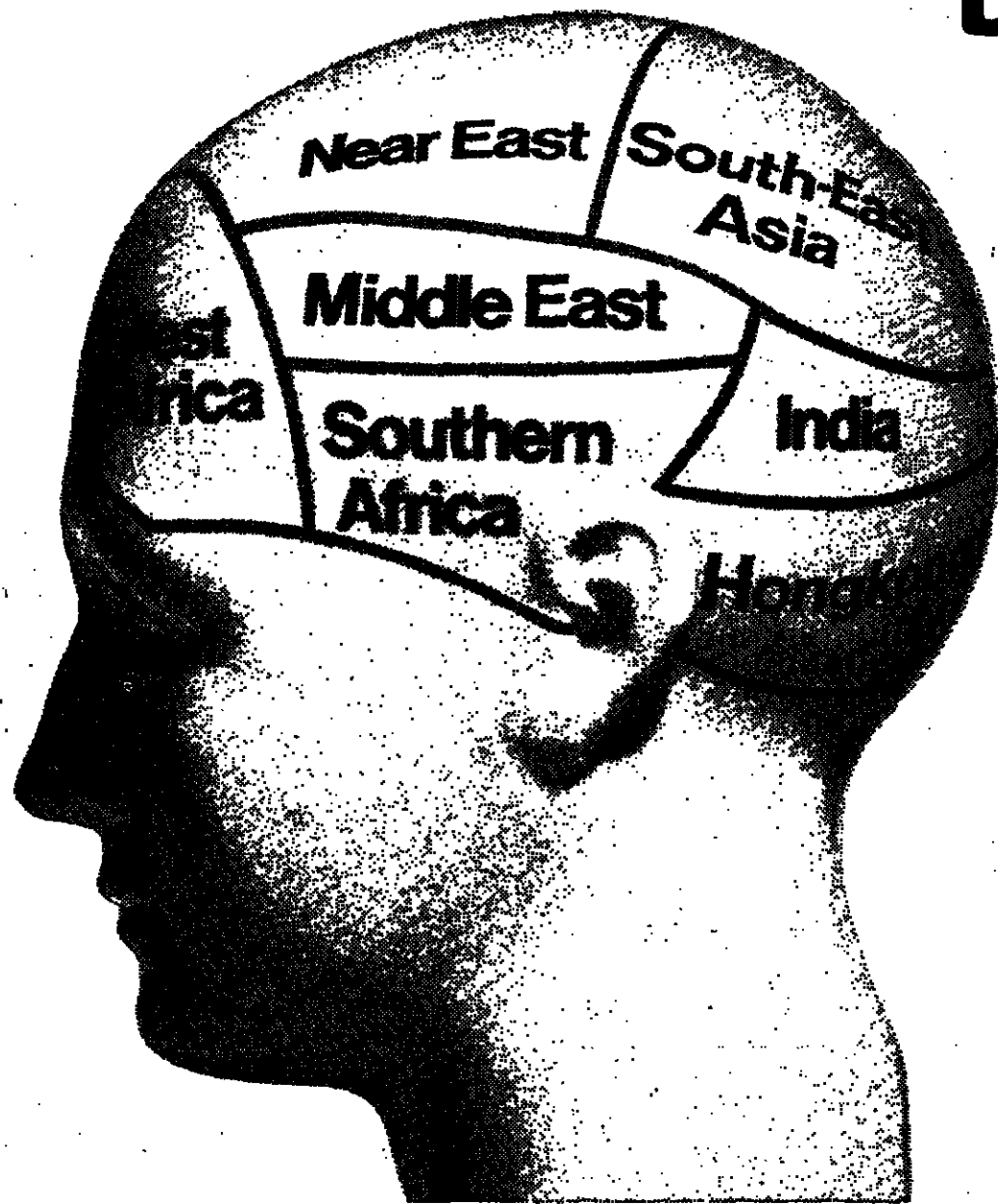
For the moment, however, the status quo will probably be maintained, although the present situation clearly cannot go on forever. Arana was elected because the country thought he would bring peace. Now the mainstream of the Army is beginning to reflect the dissatisfaction and impatience of the people. Support for the government is disappearing as quickly as the names on the Ojo Por Ojo blacklists.

Victory

Arana still has a chance of saving his government and implementing the economic and social ideals he propounds, but if he does not soon escape from the grip of the extreme Right, the pendulum will swing back and he himself will have to direct the repression in order to survive.

The events of recent months are upholding the FAR's thesis that General Arana's victory and the subsequent right-wing terrorism were necessary evils in order to unite the people on the Left against the government. But the people would equally support the government if it could restore order and put an end to this continuing Guatemalan tragedy. At the moment, however, the government is playing into the hands of the Left.

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U.S. Connelly is non-committal Tokyo
Tokyo, Nov. 10.
Finance Minister Mizuta said today he had visited U.S. Treasury Secretary John Connally to take part in solving the international monetary crisis.
Connally, however, said the issue by saying "I'm not sure if the crisis could not be by the end of the year."
Relations between the U.S. and Japan would not be red in a Press conference four hours of talks with Mr. Mizuta, who arrived here last for a five-day visit.
Finance Minister said Mr. Mizuta made no specific proposals for party adjustments.
The Treasury Secretary was also quoted as saying there was nothing he could do with confidence at this stage in the U.S. attitude towards international currency.
Mizuta said he had the impression that Mr. Connally was trying to become acquainted with Japanese and, later, European positions before making a proposal at the group of Ministers meeting.

MADE ACCORD OR BRAZIL
TRINIDAD
Our Own Correspondent
PORT OF SPAIN, Nov. 10.
Brazil and Trinidad and Tobago have agreed to establish a joint commission to promote investment, air and sea communications and technical co-operation.
An agreement was concluded in an exchange of diplomatic notes between Brazil's Foreign Minister, Gilberto Mello, and Trinidad and Tobago's Minister of External Affairs, Kamauluddin Mohammed.

Export News

Machine tool industry 'must expand'

By David Walker

A WARNING that the British machine tool industry is too small to meet the potential demand on it when this country is in the Common Market was issued yesterday by Mr. B. C. Harrison, president of the Institution of Production Engineers and vice chairman of Alfred Herbert.

Delivering the 1971 Sir Alfred Herbert Paper in London, Mr. Harrison stated that it was essential that the industry expand. Entry to the European Economic Community would make the U.K. more closely associated with major markets which were already accustomed to buying foreign-made machine tools in large quantities.

"All these factors point to considerable opportunities for further penetration by the U.K.," he declared. "A substantial expansion of U.K. sales in countries other than Italy and West Germany could depend more on substituting U.K. for other imported machines than on encroaching upon the share of markets supplied by home manufacturers."

World market

Only West Germany, Mr. Harrison pointed out, drew the major part of its machine tool imports from outside the EEC, while Italy had been building up its own export sales rapidly.

Since 1966, he underlined, British machine tool sales to the EEC had almost doubled. In 1969, the U.K. overall exports growth rate of 20 per cent. exceeded those of both France (18 per cent.) and West Germany (less than 10 per cent.). Information for 1970, he disclosed, suggested that the U.K.'s position may have improved further.

On a long-term basis, Mr. Harrison stressed, the British machine tool industry had to address itself to the problem of future world market policy.

"The developing countries have a growing demand for relatively simple machine tools. More quickly than we did, they will demand more advanced machines."

Warsaw window for British products

FINANCIAL TIMES REPORTER

BRITAIN is to open early next month her first semi-official export centre in eastern Europe. The centre, which is being set up to push British technological exports to Poland, is due to open in Warsaw on December 9.

The project is being run by the Overseas Marketing Corporation which the Board of Trade started four years ago as a major exports organisation.

Last year, however, the Board of Trade chose not to renew the Corporation's subsidy, and exports operations throughout Europe were curtailed.

The opening of the new centre in Warsaw, which will have a budget of £250,000 a year, will mark the Corporation's first major success since the organisation and its activities were run down last year.

The Overseas Marketing Corporation is optimistic about prospects for exports to Poland.

Mr. Reginald Fell, head of OMC's East European department, said yesterday that, with the help of the new centre in Warsaw, OMC "could make a 10 per cent. contribution to exports from Britain to Poland."

"We're optimistic about reaching a £5m. turnover within the next two or three years as the centre gets going," he added. Exports to Poland through OMC this year stand at some £500,000, three times last year's figure. Next year the organisation hopes to hit the £1m. mark.

Mr. Fell said that its new Warsaw centre is "unique" in Poland. Its job will be to market British technological and scientific products. The man in London in charge of the project, Mr. Reginald Fell, says that "Britain will be the first non-EEC country to have a centre of this kind in Poland."

The centre will act literally as

a "shop window" for British products. On show will be agricultural implements, medical and veterinary equipment, radio and scientific tape recording apparatus, and other scientific and technical products.

The wide range of exhibits will be open to the general public in Warsaw, but OMC expects that its most important marketing function will be to act as a centre "where Polish technicians can view the newest British scientific products at first hand."

There will be space and facilities available for the holding of seminars, technical film shows and exhibitions.

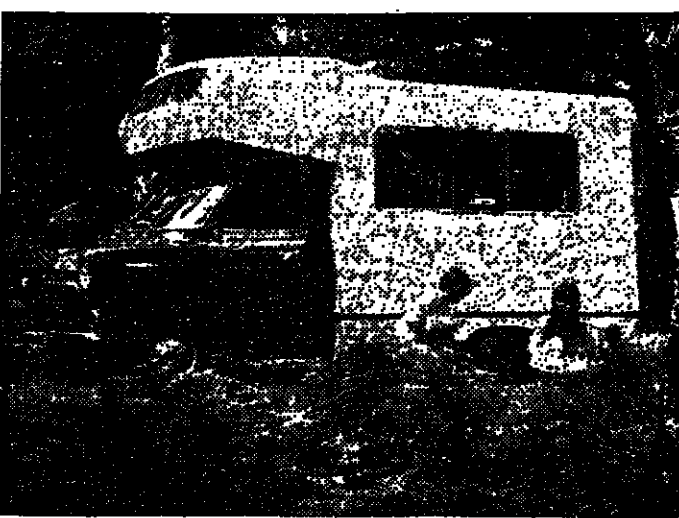
The centre has some 1,400 square feet of floor space and seven staff, and the OMC marketing services conducted there are to be used by some 20 firms including ICI Plastics (films division), Pye Group (Cambridge), Ferranti Instruments, and the Royal Electronics Group.

OMC says that its marketing services consist of "distributing clients' literature, acting as a point of inquiry for Polish industry, arranging appointments and accompanying clients."

Products at the centre will be on display in window areas facing on to the street.

OMC's role is complicated by the fact that Britain's entry into the EEC could create difficulties for Anglo-Polish trade. Effectively, it will have to play a part in boosting sales of Polish goods here.

A spokesman explained that "Polish trade officials fear that if the U.K. enters the Common Market, Polish food exports to Britain may be threatened." These fears were stated by Polish trade officials at a London Chamber of Commerce meeting last week.



Challenge to European motor caravans

BY JAMES ENSOR

THE CARAVANS International Autocamp, on show in Britain for the first time at the Earls Court International Caravan and Camping Show, is the first serious attempt by a British manufacturer of motor caravans to break into the large Continental market. The Autocamp, which has four berths (two over the cab), is based on a Ford Transit chassis.

It will be marketed in Switzerland, Germany and Holland next year through selected Ford dealers. The bodywork, constructed at the CI factory in Pole, will be shipped up the Rhine to Emmerich in West Germany, where it will be united with German Transit chassis built at Genk in Belgium.

The Autocamp (pictured above) is designed to tap what CI and Ford see as a rapidly growing market for leisure vehicles, in Europe. Total demand is expected to reach 20,000 motor caravans a year by 1980.

At present the Continental

market is largely a Volkswagen preserve. VW sells 3,000 units a year through its German dealers and exports another 27,000 each year to the U.S. Directly exported British vehicles have been too expensive, after paying the tariff, to compete with VW. But the Autocamp at DM 16,750, including the TVA, is only slightly more than competitive VW conversions.

The actual sales of Autocamps in the first year are likely to be limited by the availability of Transit chassis. But with the growth in demand for motor caravans CI expect to gain some good business thereafter.

Credit arranged for £10m. wagon contract

CREDIT backing for a £10m. contract to sell railway wagons to Yugoslavia has been agreed in principle, Mr. Anthony Grant, Parliamentary Under Secretary of State for Trade announced yesterday.

This followed reports in the Financial Times and other newspapers yesterday that the deal was being held up because of the failure to arrange credits. Dr. Mark Hughes, Labour MP for Durham, said: "To find an export order of this magnitude held up because one has doubts about Yugoslav credit worthiness strikes me as the height of folly."

Mr. Grant has now written to Dr. Hughes, saying that cover has in principle now been agreed for the sale of the 1,200 wagons, and the British manufacturer, BRE Metro, has informed its agent there. "The securing of this order therefore depends on a successful outcome of the commercial negotiations."

Thistle bid to woo Americans

By Kenneth Gooding

A DETERMINED attempt to gain business from North America is being made by Thistle Hotels, the Scottish and Newcastle Breweries' subsidiary which is rapidly building up a national chain. It owns 24 hotels in the U.K., with a further five under construction. Thistle is concentrating its efforts on selling to tour wholesalers in New York and California, offering various packages in conjunction with airlines and car hire concerns.

Mr. Gavin Reed, S. and N.'s managing director, said yesterday: "The idea is to attract those Americans who have done a whirlwind tour of Europe and who now want to take more time and have a little more freedom to look round on their own."

Mr. Reed was speaking after a Press showing of Thistle's new film which is part of a "package" the salesmen can present to potential customers—it can be followed up by a precise sales talk including taped slide presentations.

Produced for S. and N. by Telstar Productions of London, the film has been given a feature film slant with a definite story line. Although more suited for the American market, it will also be shown to potential customers in the U.K.

IN BRIEF

What is claimed to be the latest shipment of wheat to the USSR—some 20,000 cases—has arrived at Riga for distribution to the Russian domestic and tourist outlets. Coinciding with this, 13,000 cases of Moskovskaya and Stolichnaya vodka have arrived in the U.K. The deal was arranged by Mr. Stanley Sklar, managing director of Capital Wine Agencies, who recently signed a long-term contract with Stolichnayaimport of Moscow.

Qualcast (Lawn Mowers), a member of the Birmid Qualcast home and garden equipment division, has received a £30,000 order for power mowers from Japan. Nearly 40 per cent. of the division's output of mowers, under the brand names Qualcast, Suffolk, Foibe and Ateo, is exported.

ICI subsidiary Tangent Foams of Stokeport, Cheshire, has signed a licensing agreement with Orliok of Yugoslavia, enabling Orliok to use Tangent moulds for the production of rigid urethane furniture shells at their factories in Orizova.

This is Tangent's 33rd overseas licensing agreement. Chair and settee moulding processes developed by Tangent—responsible for ICI's new Organics Division—provide the urethane chemicals—are already being operated under licence by other furniture manufacturers in Europe, North and South America, Asia and the Far East. For all licensees, both in the U.K. and abroad, Tangent provide individual training at its Stokeport factory—in moulding

REPORT FROM SCOTLAND

BY ANDREW HARGRAVE

Foreign accent on finance

Dalton Barton (Scotland), "Dalscot" for short, is Scotland's newest merchant bank, officially opened only six weeks ago. The major shareholder is Dalton Barton Securities of London. But it is the chairman, Mr. G. Douglas Laing, a Scottish accountant and financial consultant—well known also as the liquidator of bankrupt companies—whose ideas both give Dalscot its identity and take it beyond the conventional role of merchant banking.

At the opening Mr. Laing said: "We are a businessman's bank, a financier's bank. We intend not only to invest money in Scottish industry and commerce, but to make sure that it is used to its best advantage."

Investment

For some time Mr. Laing has been thinking hard of opportunities in an enlarged European Economic Community, for as well as overseas and Scottish investment in Europe, European, particularly German, investment in Scotland is now the aim of a campaign sponsored by the Scottish Office, and to be carried through by the Scottish Council (Development and Industry).

Its committee for European investment, headed by Lord Taylor of Gryffe, is making its first foray into the investment world, with a mission touring the main business centres and making contact with institutional commerce and industry. Should any local finance be required by a German company interested in Scotland, Dalscot is certainly prepared for it.

But Dalscot already has several irons in the fire on the European front. One proposition, in an advanced stage, is a network of commercial vehicle service centres at key motorway junctions, first throughout the U.K. and then extending into Europe. It involves investment from Japan and Eire as well.

The service is intended to be a 24-hour one, fitting parties while the drivers wait and so avoiding long and costly delays at garages. A pilot scheme is already operating in Eire, but plans are afoot

to set up the first full-scale centre in the Midlands, to be followed by others in the Yorkshire-Lancashire area, in the South-East near London, and the industrial belt of Scotland. Once the trial is proved, Mr. Laing, similar centres are to be set up in Europe.

This project is closely linked with another venture, involving Japanese-made commercial vehicles this time. It is a project that will not perhaps be altogether welcomed by European and British competitors, who are already finding it hard to cope with the flood of Japanese motor cars.

These commercial vehicles would be exported in bits to Eire, assembled there, and distributed by a new marketing organisation throughout the U.K. and the Continent. Finance for the operation is to be arranged by Dalscot.

A third project involves both U.S. and Japanese investment and concerns Connell Construction at Coatbridge, Lanarkshire, a recently-formed company of which Mr. Laing himself is chairman. The company took over the manufacturing of Hydrocon cranes in a 7-15 ton range from a bankrupt organisation, wound up by Mr. Laing.

Half the output is sold abroad, most of it in Europe, and the much larger U.S.-Japanese models manufactured under licence will enable the range to be extended to 75 tons lifting capacity. This should also increase substantially the present labour force of 60 at Coatbridge and to a small degree help to relieve unemployment in North Lanarkshire, which is now approaching 8 per cent.

Lifting gear

Negotiations are also in progress on a fourth project concerning specialised lifting-gear for construction work at present made by a Dutch-Belgian company. This could involve manufacture in a Scottish plant as well as marketing throughout the U.K.

Mr. Laing's policy in all these deals is to keep control of these new organisations close to home. It is certainly a leaf from the

Japanese book. Backing his intention of not only investing the bank's money but also seeing that it is used to its best advantage, Mr. Laing is building up a team of consultants "who live with the customer." With about 15 years of experience in financial consultancy (he is 4 years of age), Mr. Laing feels he has both the background and experience in creating business links between the Scottish business community and the EEC.

Shop stands

Another Scottish merchant bank has already agreed in deal involving the financing of European operation. In August of this year, Noble Grossart, Edinburgh, arranged an issue very largely by Scottish financial institutions, of £16m. of equity and loan stock for D. W. Phillips International, registered in Luxembourg.

The group has nearly 150 service stands in stores in a dozen countries, mostly in Europe, with over half its sales in Germany and France. It provides a variety of on-the-spot services, including shoe repair, key duplication, knife sharpening and watch repair. The issue, said Mr. Phillips, was a success. The Noble Grossart executive responsible, was clear indication of the willingness and ability of the Scottish financial sector to participate in European situations.

Perhaps, Mr. Stevenson was little over-optimistic. For given the fact that Dalscot and its own staff which keeps a close eye on future European linkups, including loan finance for acquisition joint ventures and participation in equity, there is little evidence among Scottish-based merchant banks of going beyond the investigation stage. It seems a financial—as opposed to commercial and industrial organisation—which are certainly probing European Market—are adopting a wait-and-see attitude.

A five-man team of management consultants, led by Mr. Murray McCracken of FAI, a Glasgow-based firm, is leaving for Edinburgh this week for a six-week study of shipping conditions there.

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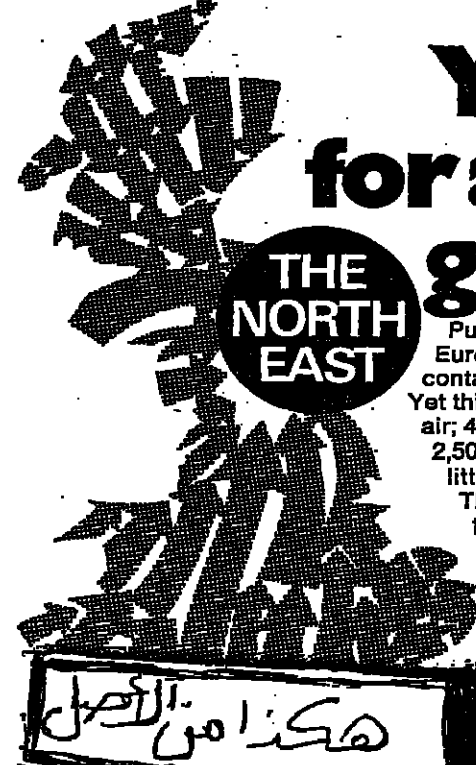
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Telephone: 265 0379 Telex: 29937

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Bahnhofstrasse 44
Postfach 2914 CH-8023 Zurich
Telephone: 237722 Telex: 54147

HOTELS AND CATERING

The Financial Times in its issue of January 3, 1972, will publish a special inset on Hotels and Catering. The following indicates the proposed editorial content:

1. Introduction. 1971 was a year of consolidation in the hotel and catering industry. This article will examine the past 12 months in the light of the hotel incentives scheme and draw some general conclusions on the likely future of the industry.
2. The Newcomers. The past few years have seen the entry into the British hotel business of a number of new names. How these companies are faring and the prospects for their future will be discussed using such examples as Trafalgar House, Ladbrooke, etc.
3. The Seaside and Provinces. For a long time the British resort, both inland and by the sea, has been experiencing a period of change. How have the seaside hotels, restaurants and boarding houses adapted to competition from overseas? How bright is the future for the "country" hotel?
4. Conference work. Conferences have now become a crucial part of the hotel business. This article will examine the growth of conference work and its implications for the hotelier.
5. Training. The expansion of the hotel and catering trades has placed a considerable strain on training. The way in which personnel are trained for the industry and the effectiveness of this training will be discussed with reference to systems within individual companies.
6. Marketing. In a competitive age the importance of marketing in the hotel business increases constantly. The ways in which various types of hotels—groups, independent large, and smaller provincial—tackle the problem will be examined.
7. Industrial catering. This remains a growth area but highly competitive. A look at the companies involved and the trends within this business. How important is the in-house canteen or restaurant?
8. Vending machine catering. Gradually the vending machine for food and drinks has become a normal feature of the British working area. What are worker attitudes towards machines and what is the effect on personnel relations. The article will also consider the use of vending machines in retail consumer outlets.
9. Disposal catering. Increasing use is being made of disposable cups, plates, cutlery and other catering accessories. How far will this development go? Some thought will be given to consumer attitudes and to comparative costings in areas where a selection between traditional table-ware and disposable materials has to be made.
10. Equipment. After the boom years the producers of equipment face a period when, with the completion of the current projects, demand could slacken. Will enough further work be generated? There will also be an examination of the new developments in hotel equipment and the facilities available to the hotelier and restaurateur to-day.
11. Contract furnishing. Hotels to-day are highly design conscious and even fashion conscious. A look at the impact of "planned obsolescence" on hotel furnishing and its effect on the contract market. A detailed look at the size of the business and those companies involved in it.
12. The "middle market." There is a widespread view that the real demand of the late seventies will be in the middle market for hotel rooms. Is it possible to build "family" hotels in city centres to-day? The article will consider the ways in which capital and operational costs in family hotels can be reduced while a satisfactory service is maintained.
13. Restaurants. The restaurant business is a good guide to the economic temperature of a nation. How has the British restaurant fared during the past year and what are the indications for the future? The article will have a nationwide look at eating out.
14. Franchise catering. After years of being in the doldrums there have been signs recently that franchising is becoming more popular in the catering trade. Are others now following the once unique success of Wimpy? The problems and advantages of franchising in Britain.
15. Night Clubs. The line between night clubs and discotheques has long since blurred and in spite of tales of woe the night club business goes on. A look at the economics of a night club with some discussion of the operational problems.
16. Running a restaurant. The operation of a restaurant is a popular dream. How pleasant is the reality? A personal story of the costs and problems of running a privately-owned restaurant and the rewards (and heartaches) involved.
17. Motels. There has been a steady if unspectacular growth in motel construction in Britain. A look at the economics of motel operation and an examination of whether or not the development of the more sophisticated motor hotel (such as the THF Post Houses) will end their expansion.
18. Holiday camps. The holiday camp is still a major part of the British holiday. In recent years determined efforts have been made to change their image and adapt their facilities to present day consumer demands. What form have these changes taken? To what extent have they been successful? And what is the future of the holiday camp?
19. Have the British learned to eat? A lighthearted look at the British dining out. The article will examine some of the peculiarities of British eating habits and consider whether or not our own travel overseas, and the invasion of tourists into our own public dining rooms has changed our attitude.
20. Pubs. The change in the British pub over the past ten years has been remarkable. Food is now a major part of many public houses activity. Has this change kept the pub custom? What is the general standard of pub food? The British pub and its new look will be discussed and the implications or the changes analysed.
21. Foods to come. Eating habits change gradually. The chicken changed from luxury dish to staple food in only a few years. What other changes are ahead? An examination of such activities as fish farming, oyster and turtle farming, and meat reconstruction which



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ROME, Nov. 10.
A stoppage of Italy's
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call for a strike of the
employees at station
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Schumann pays important visit to London

BY ROBERT MAUTHNER

M. MAURICE SCHUMANN, the French Foreign Minister, is due to arrive in London to-morrow on a two-day official visit at a particularly propitious moment for Anglo-French relations.

The visit is the first to be paid by a member of the French Government to Britain since last month's Commons vote in favour of Britain's entry into the Common Market, and there can be no doubt that both sides are attaching considerable importance to the outcome of the London talks.

Main fear

France's desire to see Britain become a member of the Community, which first became clear after the summit meeting between President Pompidou and Mr. Heath last May, has if anything increased since then.

The main fear in Paris now is that Britain will disrupt the Common Market—as it was in the days of General de Gaulle—but that West Germany's growing political and economic influence will upset the balance.

Poland prepares party congress next month

BY A. H. HERMANN

MR. EDWARD GIEREK, the Polish party leader, is clearing the decks for the party congress, which will meet on December 6, one year ahead of the normal term.

After removing the most prominent hardliners and advancing men more open to change in a Government reshuffle at the end of last month, Mr. Gierek has now sacked the editor of the weekly *Perspektywa*, Mr. Dobroslaw Robieski, who stood near the "partisans" and was critical of Mr. Gierek's policies. More significant still is the large number of real workers whom Mr. Gierek succeeded in having selected as delegates to the congress as a challenge to the professional party organisers, already unnerved by the purge which is in progress.

Obligations

Mr. Gierek's objective now appears to be much more ambitious than a mere appeasement of the workers by the sacking of people who are held responsible for the fall in Polish real wages over the past few years. That fall is now officially admitted. It seems that the forthcoming party congress will be asked to approve not only a revision of economic targets in favour of the consumer, but also the adoption of new methods of planning and managing the economy which will require a different type of people in positions of responsibility.

In view of the obligation to increase exports to the Soviet Union by at least a third, compared with actual trade in the 1966-1970 period, the only way open to Mr. Gierek is a mobilisation of all domestic resources with the help of people with drive and imagination.

Unfortunately, there seems to be little hope that the development of labour-intensive industries will be fast enough to absorb the present unemployed plus the 3.5m. young people due to leave school in the course of the next five years. It is proposed therefore to introduce obligatory secondary education, to lower retirement age and to

German metal workers strike

STUTTGART, Nov. 10.

ABOUT 65,000 metal workers in North Baden-Württemberg staged work stoppages lasting up to an hour to-day as contract negotiations remained deadlocked.

The companies most seriously affected were Daimler-Benz, the motor plants in Gaggenau and Metzingen with 14,000 workers laying down their tools, and Bosch electrical works in Stuttgart with 10,000 protesting the metal workers union said.

On Friday, members of the metal workers union in North Baden-Württemberg are to vote whether to strike. The union has approved a mediation board suggestion of a 7.5 per cent wage increase for a seven-month period. The metal companies have rejected the proposal and have offered 4.5 per cent for one year—the normal contract period in West Germany. About 500,000 workers are affected.

SWEDEN

Palme's party loses ground

BY JOHN WALKER, STOCKHOLM CORRESPONDENT

IF A General Election were to be held in Sweden to-day, the ruling Social Democratic Party would be swept out of office, the Stockholm evening paper *Expressen* states, following a public opinion survey. The survey, which was made for the paper by Svenska Utredningsinstitutet (the Swedish Institute of Investigation) coincides with a sudden raising of the political tempo. The normal hum-drum routine of popular indifference has been shaken by the Opposition parties' joint statement last week calling for drastic action to remedy the current economic malaise. This combined opposition initiative is the first for over 40 years and has taken the political observers by surprise.

Last autumn the country went to the polls for the first time under the newly formed single chamber Parliament and returned the Social Democrats with a minority. Since then they have carried on under the Premiership of Mr. Olof Palme with the aid of the Communist Party, but without forming a coalition. Since 1932 when the Social Democrats came to power, the three main opposition parties—the Conservatives, the Liberals and the Centre Party—have been divided among themselves and this rift has been exploited by the Government. The current state of the parties and the possible result of a snap general election can be seen in the accompanying table.

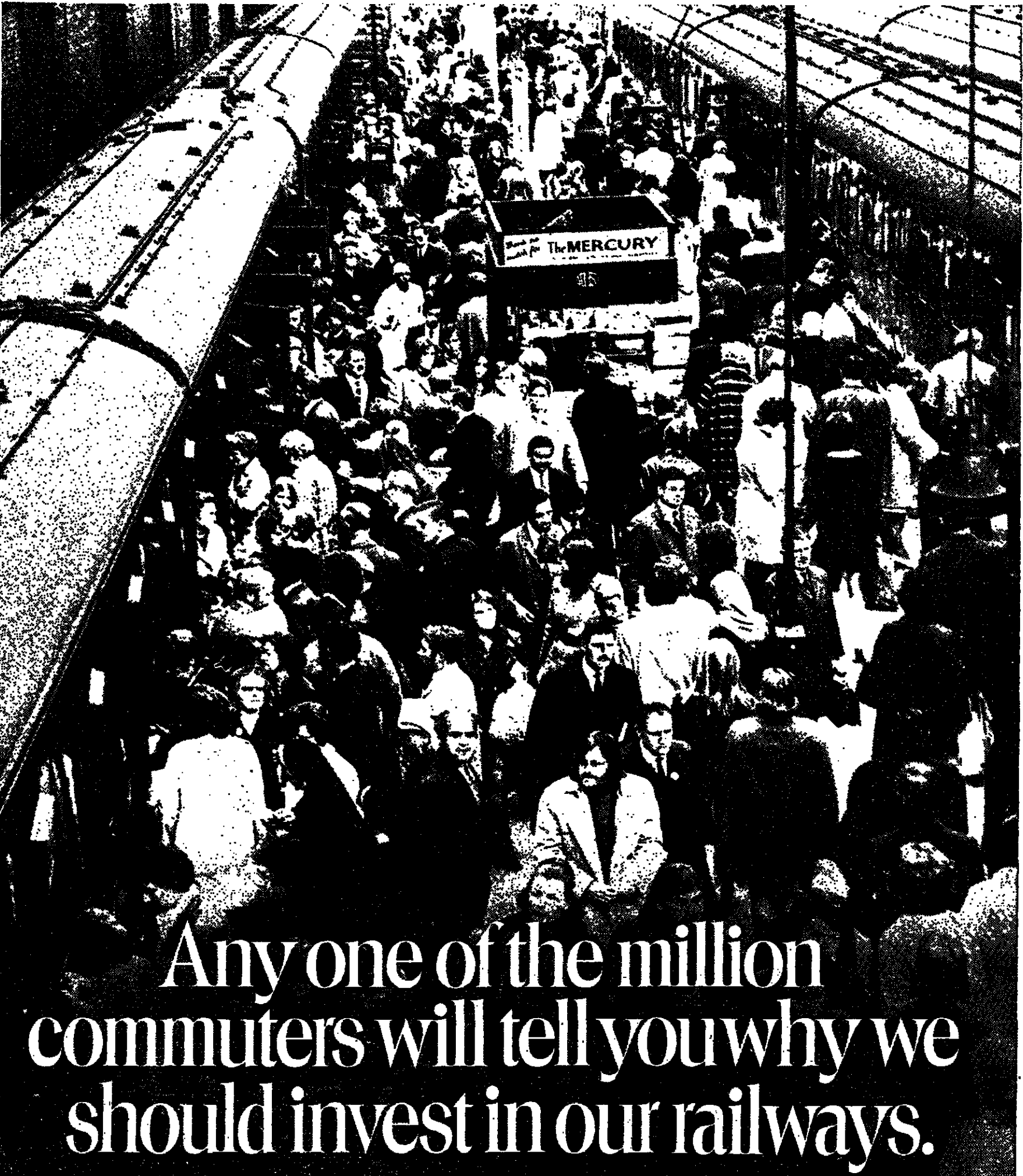
| GENERAL ELECTION 1970 | | EXPRESSEN SURVEY 1971 | |
|--------------------------|-------------|--------------------------|--------|
| Seats | % Vote | Seats | % Vote |
| Conservatives | 41 11.5 | 53 14.6 | |
| Liberals | 58 16.2 | 54 14.9 | |
| Centre Party | 71 19.9 | 84 23.2 | |
| Soc. Democrats | 163 45.3 | 135 37.5 | |
| Communists | 17 4.8 | 24 6.8 | |
| Others | — 2.2 | — 3.0 | |

The current inflationary trend is rising. (It will probably result in the benefit of this year's wage rises being wiped out, in spite of the freeze.) The official figure for the consumer price index shows a 7.1 per cent increase in the 12 months ending September this year. But it is conceded that quite a lot of increases have not yet worked their way into the system, and when the freeze comes off at the end of December there will be a mighty surge of price rises which have been pent up since last year, unless some other form of restraint is brought into operation.

However, the Government's deflationary policy has turned the trade deficit in 1970 into a surplus this year by damping down imports. Exports rose in the first nine months of this year by 11 per cent to a total of Kr27,889m. (£2,330m.) compared with the same period last year when imports showed a one per cent decrease over the same comparable periods at Kr28,370m. (£2,110m.), turning last year's nine month deficit of Kr1,444m. (£115m.) into a surplus of Kr1,499m. (£120m.) this year. In addition the foreign exchange

Poignant

It has been clear that the Social Democrats have been losing ground since the general election in 1968—both at the polls and in surveys made since. The latest opinion poll underlines this trend. The main reason for the Government's growing unpopularity is increasing inflation and unemployment. Alarmed at the rising cost of food last year, the Government slapped on a price freeze just prior to the election and this was followed by a general price freeze a few weeks later. But at that time the Government were already committed to increasing the Value



Any one of the million commuters will tell you why we should invest in our railways.

He'll tell you with helpless anger stories of infuriating delays and packed trains. Helpless, because he knows that to commute by road can never be a solution. And angry, because for the price of a mile of urban motorway British Rail could improve enough of their signalling system to give 90,000 commuters punctual service every hour. But improvement mustn't stop there. Money is also needed to raise the standard of rolling stock. It's a fact of life that urban railways fulfil a social need that can't at this time be measured in profit. But unless we protect and invest in them now, our loss will be incalculable.



A Great British Investment

City and Gracechurch Investment Trust Limited

Extracts from the Report and Accounts and the Statement of the Chairman
Mr. R. H. Wethered

| The year in brief: | 1971 | 1970 |
|--|------------|------------|
| Gross Revenue | £132,533 | £210,917 |
| Available for Ordinary capital | £64,524 | £71,401 |
| Earned on Ordinary capital | 5.66% | 7.02% |
| Dividend on Ordinary capital | 6.5% | 6.75% |
| Valuation of Portfolio Investments | £1,908,029 | £1,655,309 |
| Invested in equities | 99.35% | 99.67% |
| Invested in Great Britain | 43.90% | 39.59% |
| Invested in overseas and international companies | 56.10% | 60.41% |
| Asset value per share (including freehold land and property) | 46.86p | 44.375p |
| Contingent capital gains and corporation tax on unrealised appreciation of investments | 1.741p | 1.354p |

Revenue:
Gold Estates of Australia has produced a profit (including net rents) of £19,592 against a loss of £17,172 last year.

In view of the reduction in Dealing profits, as foreshadowed last year, we have decided to recommend a final dividend of 3% making a total of 5 1/4% as forecast in the interim statement.

Assets:
The net asset value was 46.86p per Ordinary and Convertible Ordinary Share, which includes 34p representing the value of our Portfolio Investments.

Registered Office:
Winchester House, 77 London Wall, London, EC2N 1DD

ta warns
orters
Own Correspondent
ALLETIA, Nov. 10.
MINISTER Mr. Paul
has warned importers
Government is ready to
the import of certain
ies should an emer-
ce. During the meeting
showed himself dis-
with the shortage be-
a result of the Minis-
sion to peg prices to
ice increases. The
nt has already con-
sious exporters from
ensure that scarcities
not be
get any worse.
vernment has also had
s with other Govern-
rough their embassies
have been asked to
a list of exporters
of supplying immediate
s of milk and butter
which prevailed before
off's Government came
It was announced
at over 1.5m. cans of
being exported to Malta
may be sold at 7d
Another shipment of
d frozen chicken is ex-
from Australia,
to a Trade Ministry

BANK
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nk, Norway
kki, Finland
ken, Sweden

City and Gracechurch
Investment Trust Limited

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Other Overseas News

IN BRIEF

● **NEW ZEALAND** seamen, finding themselves isolated from the majority trade union movement, have voted overwhelmingly to end their nine-day strike and return to work. Ships started moving last night with priority given to inter-island ferries and island ships carrying supplies to the Stewart and Chatham Islands where stocks of petrol and other commodities are running short.

● **MALAWI** has asked for early association with the European Common Market without waiting for Britain to enter the Community. The request was formally made on Tuesday. Informal sources said Malawi was seeking association on the "Yaounde Convention" model under which 18 French-speaking African states are already associated.

● **CAPE TOWN**—A British consular official was given access yesterday to the two British freelance photographers who are being detained by security police under the terrorism act. They are Quentin Jacobson (25) and David Smith, also 25.

● **CAIRO**—Taxi-drivers staged their first ever strike on Wednesday in defiance of their union leadership. They were protesting a new law issued by the Interior Ministry, providing for severe penalties against traffic offenders.

● **RHODESIA** today celebrates the sixth anniversary of UDI by a public holiday, and a series of independence dances throughout the country. Premier Ian Smith will make a state of the nation address at which he is thought likely to adopt a conciliatory pro-settlement line, telling Rhodesians that an agreement with Britain is in the country's best interests.

● **LAGOS**—Fifteen former Biafran army officers, including Philip Ekeogu, a Major-General in the secessionist army during the Nigerian civil war, have been dismissed from the Nigerian army. The dismissals stem from recommendations of a special tribunal appointed shortly after the war to screen all ex-rebel officers who surrendered to the Federal Government.

Filipinos give Marcos heavy rebuke

By Our Own Correspondent
MANILA, Nov. 10.

PRESIDENT Ferdinand Marcos tonight conceded that the opposition Liberal Party had swept the crucial Senatorial elections that he earlier indicated would test whether his administration still enjoyed the confidence of the people.

The President made the concession at a Press conference called after 84 per cent of the votes tallied revealed that the opposition party would take six of the eight Senatorial seats contested in Monday's elections.

He also dropped the aggressive posture he adopted in the course of the campaign and offered the olive branch all around by stating that he would consult with the opposition, media and other civic sectors on national problems.

The vote revealed that the President's party lost ground even in the Ilocos, his own home region. The stunning rebuke implicit in the vote was so strong that in most of the 81 cities Filipino electors refused to give even a single seat to the party in power.

Obviously, the Liberal victory will not immediately change the leadership in the Senate, where the President still holds a majority. But the protest was so deep-seated it is likely to force the once-confident Nacionalista Party to reassess its strength and take a good look at the plan to field the first lady, Imelda Romualdez Marcos, for the Presidency in 1973.

The poll apparently reflected the popular mandate and has dissipated the tension that characterised the campaign. This tension arose because people were uncertain whether frauds and armed thugs would vitiate the popular will. Obviously, they did not—thanks to a new election code, alert citizens and an aggressive but impartial commission on elections.

India to make crisis decision at week-end

BY OUR OWN CORRESPONDENT NEW DELHI, Nov. 10.

A CRUCIAL reappraisal of relations with Pakistan will be made over the coming week-end in the light of mounting tensions on the border as a result of the military build-up by both countries.

By then the Premier, Mr. Indira Gandhi, will have returned from her three week tour of western capitals aimed at obtaining support for India's view that President Yahya Khan should agree to a political settlement in East Bengal. Mrs. Gandhi must decide by Monday what she plans to do because the winter session of Parliament begins on that day and she will face considerable pressure for action against Pakistan.

The opinion among most political parties is that the problem created by the influx of nearly 10m. refugees from East Bengal cannot be solved without resort to armed action. This is a possibility that the Indian government itself has not ruled out. Mrs. Gandhi has steadfastly refused to withdraw troops from the borders until the basic political crisis within Pakistan is resolved. The Home Minister, K. C. Pant, after a visit to the border areas, has said "We will have to find a solution to the basic problem—of seeing that conditions are created in Bangladesh which refugees can go back to their homes."

A series of meetings is scheduled for the week-end of the Cabinet as a whole and, more important, its political affairs committee which is a crucial body directly responsible for the

major decision on whether or not war is the answer. The key question to be decided is whether the situation calls for the declaration of a state of emergency. Since this has drastic implications—including the postponement of elections to the state legislative assemblies scheduled for late February and early March—the opinion of all political parties is to be sought.

The official assessment is that the situation, particularly in the eastern sector, "has not shown any sign of settling down." The Government also feels that although there is now a better understanding in world capitals of the need for a political settlement in East Bengal, there is no evidence of follow-up action to put "the amount of pressure on Pakistan" that the situation demands.

This means that the Indian Government finds itself in the position that it will itself have to take the decision on how the political settlement is to be achieved. This will be made after Mrs. Gandhi reports on her foreign tour and on the basis of an assessment of the situation in Pakistan and the mood of the people in India. Also to be taken into account is Peking's attitude in view of the recent visit there of a high-powered delegation from Pakistan. By the week-end the Government will have a report from the Charge d'Affaires in Peking, though the current view seems to be that Peking has not made any firm commitment to Pakistan and prefers to keep its options open.

Yahya's foreign minister leaves for New York

BY OUR OWN CORRESPONDENT KARACHI, Nov. 10.

PAKISTAN'S Foreign Secretary, Sultan Mohammad Khan, left Rawalpindi this morning for New York and North American and European capitals to acquaint governments with the problems that have resulted in the escalation of tension between Pakistan and India. Special significance is being attached to the Foreign Secretary's visit as it comes soon after his visit to Peking with Pakistan's delegation. His presence in New York is considered important since he may brief Pakistan's delegation to the General Assembly on the latest developments and its future line of action.

A hint of Pakistan's new

approach was dropped by People's Party chairman Zulfiqar Ali Bhutto, who led the delegation to Peking, after his meeting with President Yahya Khan in Rawalpindi when he said that in the present situation Pakistan should not exacerbate the situation by being critical of any of the great powers whether it be the Soviet Union, the U.S. or China.

Meanwhile American marine insurers have decided to treat East Pakistan as a "war risk." The insurers have agreed to levy a 50 per cent additional premium on the insured for goods sailing from American ports for disembarkation in East Pakistan.

Cairo and Peking seek to co-ordinate views

BY OUR OWN CORRESPONDENT CAIRO, Nov. 10.

The semi-official Al-Ahram reported today "important diplomatic contacts" between Cairo and Peking on the Middle East crisis. China's position and views on the issue had been discussed at meetings between the Foreign Ministry Under-Secretary Hassan Bubul and the Chinese officials in Peking, the report said.

In a comment on Sunday in which he urged that Egypt should take the Middle East issue back to the Security Council, Mohamed Hassanein Heykal specified that China should be asked to define its position at the council meeting, and "the eventualities of the situation." Mr. Heykal is due to day that there had been preliminary contacts at ambassadorial level but added that effective discussions were likely

to be held first in New York during the UN Assembly Session. Meanwhile, all Cairo papers this morning published front-page pictures of President Anwar Sadat in uniform, surrounded at meetings between the Foreign Ministry Under-Secretary Hassan Bubul and the Chinese officials in Peking, the report said.

This meeting follows within a week a National Defence Council meeting at which Mr. Sadat reported on the political and military situation. To-day's Press reports said simply that the Heykal specified that China should be asked to define its position at the council meeting, and "the eventualities of the situation." Mr. Heykal is due to day that there had been preliminary contacts at ambassadorial level but added that effective discussions were likely

Saigon politician killed

SAIGON, Nov. 10.

NGUYEN Van Bong, a leading South Vietnamese politician, was killed today when a time-bomb exploded in his car. Mr. Bong generally had been a supporter of President Nguyen Van Thieu, although when the campaign for the Presidency turned into a one-man race he declined active support on the grounds the one-man election was illegal and improper.

The plastic explosive charge went off as he and three bodyguards were driving home for lunch, police said. The blast also killed one of his three bodyguards and injured the other two along

with seven bystanders on the street. Spokesmen for the Progressive Party, of which he was co-chairman, said Mr. Bong was heavily protected because of frequent threats to his life. It was the first assassination of a pro-Government politician in South Vietnam since the fire-bombing death of Education Minister Le Minh Tri in early 1969.

UPI Reuter reports from Phnom Penh: Twenty soldiers and civilians—including seven children—were killed today in a massive pre-dawn guerrilla rocket attack on Cambodia's main international airport here.

Iran insists on its Gulf rights

BY OUR OWN CORRESPONDENT TEHRAN, Nov. 10.

WITH under seven weeks to go before the British withdrawal from the Gulf, Iran is insisting on maximum terms for a settlement of claims over the three strategic islands at the mouth of the vital waterway.

In an interview with the Financial Times, the Iranian Foreign Minister, Dr. Abbas Khomeini, confirmed reports that Tehran had indeed rejected Arab "suggestions" that the three islands of Abu Musa and the two Tumbes be leased to Iran. He said Iran would not consider any such compromise involving a 99-year lease or the stationing of a joint Arab-Iran force on the islands. "Whoever would consider taking out a lease on something that is already theirs?"

The sovereignty of these islands is negotiable," he said. "The Shah has threatened to wrest the three islands from Britain by force if they are not voluntarily surrendered. Iran

Persian long before the British occupied them over 30 years ago, but Whitehall recognises the Emirates of Sharjah and Ras-al-Khaimah as the rightful owners. Iran's tough position at this late date contrasts with the belief of foreign observers here who think that if any viable solution is to be found on the eve of Britain's withdrawal there must be some compromise by all the parties involved, including Iran. It was thought that Britain's special envoy Sir William Luce, who came up with an acceptable compromise before the end of the year.

Dr. Khomeini left the impression that the only "compromise" Iran would contemplate would be on the economic front. He would not confirm reports that Sir William Luce had already received a "no" from Ras-al-Khaimah on a deal giving the sheikhdom partial internal rights and financial compensation in return for recognition of Iranian sovereignty. A second proposal was reportedly submitted

to divide the island of Abu Musa, giving Iran the lion's share. In the name of stability Iran was prepared to offer the Gulf rulers "every assistance—particularly economic." But, Dr. Khomeini insisted this offer of help was in no way connected with the other side's acceptance of Iranian sovereignty over the islands.

Dr. Khomeini added: "Security and sovereignty go hand in hand." It is obvious that Iran harbours no illusions about the stability of the rulers on the other side of the Gulf. The Gulf is Iran's economic lifeline and Tehran is not prepared to take any risk concerning the fate of these islands. "We have no differences with the Sheikhs of Sharjah and Ras-al-Khaimah. The differences we have are with the British," the Foreign Minister said. He dismissed Baghdad's current drive to rally the Arabs against Iran in the event of an Iranian takeover of the islands, the Foreign Minister doubted that there would be anything

CHINA'S ADMISSION TO THE UN

Taiwan puts brave face on isolation

BY STEWART DALBY IN HONG KONG

IT IS perhaps the supreme irony that while the U.S. was reacting with undisguised petulance at the defeat of its "two Chinas" policy, in Taiwan the admission of China to the UN and its own expulsion from the world body caused, publicly at least, hardly a ripple.

The Taiwanese had psychologically prepared themselves for expulsion. The progressively unfavourable trend of voting in the UN in recent years had made it obvious that even if the intense U.S. diplomatic lobbying succeeded in keeping Taiwan in this year, it could only have been a stay of execution.

Superficially, Taiwan's public composure in the face of a humiliating diplomatic insult is not misplaced. West Germany and Switzerland have managed to get along without UN membership. The regime has an army of nearly 600,000 men, armed to the teeth, and is considered capable of repulsing anything short of an all-out assault by China, an assault which China with inferior air and sea power is almost certainly not proficient enough to launch across the 150-mile Straits of Taiwan for a few years.

Chou En-lai has hinted that, despite China's continuing insistence that Taiwan is inalienably part of China, the Peking Government does not plan to take the island by force.

Defence treaty

Asked in a recent interview with Mr. James Reston, of the New York Times, whether the principles which were told to Mr. Edgar Snow in 1960 still held good—that nothing between "us (China) and Taiwan shall be settled by force or the threat of force, and that there is only one China"—Mr. Chou replied "If Taiwan is to be returned to the motherland the U.S. forces must withdraw because otherwise how can it be returned to the motherland. Since the U.S. is to withdraw all its troops and military installations from Taiwan and the Taiwan Straits area, then as a matter of course the so-called U.S.-China mutual defence treaty which we had all along considered illegal would become invalid."

Not the most straightforward answer perhaps, but sufficient to allay fears from Taiwan's point of view of an immediate military threat, if when President Nixon visits Peking next year, diplomatic exigencies lead the U.S. government to rescind the defence agreement.

Fears that expulsion from the UN would lead to Taiwan's ostracism from other world bodies receded when it was realised that it owes money to the World Bank so would suffer no immediate loss from precipitate election there. Taiwan has paid in full its subscription to the IMF, of which the gold tranche of 1.7m. ozs is worth \$59.8m. However in early October, Taiwan, presumably as a form of insurance in case the UN vote went against it, withdrew the entire sum it had on deposit—which any country is entitled to do with no questions asked.

The Taiwan economy is, in contrast to South Korea, say, which has started to splutter after several years of boom, still in a healthy state. The island had external reserves of \$802m. at the end of August, an increase of \$180m. over the eight months according to official statistics, and equivalent to roughly five months' imports. The island perennially has a deficit on services but with a favourable trade balance the overall balance of payments deficit for 1970 was a modest \$8.9m.

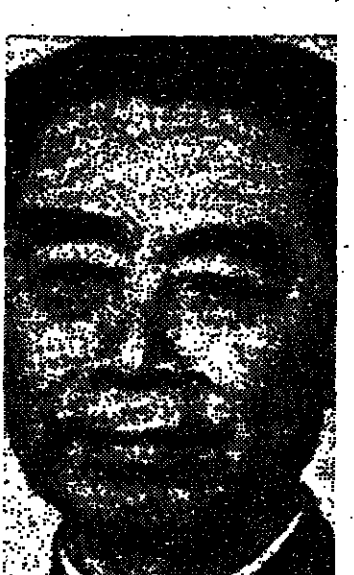
Exports had increased by 39.8 per cent in the first six months of 1971 to \$993m. and imports were \$938m., a gain of 32.8 per cent. By September 18 exports amounted to \$1,476m. and imports \$1,395, giving a favourable balance of \$11m.

Even the U.S. economic measures of August 15 should make a small dent in this trend. Although the subsequent unilateral imposed textiles quotas is a severe blow with textiles and related industries accounting for over 80 per cent of exports, it need not be disastrous.

The agreement curtails the growth of man-made fibre exports to the U.S. but it does not eliminate all expansion. Taiwan labour is still cheap enough in

any event to give the island's exports a competitive edge in other markets notwithstanding the possibility that the U.S. measures do not trigger off a protectionist chain reaction.

The U.S. remains the major market for Taiwan exports taking some \$588m. for the first eight months of this year. Imports were \$402m. Japan on the other hand is the major exporter to Taiwan. In the first eight



Premier Chen en Lai

months of 1971 exports from Japan were \$500m. and imports from Taiwan \$187m.

Taiwan had budgeted for a 10 per cent real growth in GNP this year having achieved an increase of 10.1 per cent. at 1964 prices to \$5,444m. in 1971. One authoritative economic source estimated that the Nixon measures should drop the projected growth rate to 9.5 per cent. or 9 per cent. at worst this year. Given these growth rates the expected increase of 3.4 per cent in retail prices is modest.

The alarm raised by reports that money was leaving Taiwan following the UN expulsion—one report had it that \$100m. had flooded into Hong Kong—should

probably be discounted. A lot of the money invested in Taiwan is tied up in long-term projects and it is certainly not possible to go that liquid overnight. There may have been some exodus of funds, but not on this scale.

Similarly the dramatic nose-dive in the Taiwan stock market of around 30 per cent which led the Government to call upon five banks to participate in a \$37m. revitalisation programme, should be seen in perspective.

Nevertheless this "still life" of the Taiwan economy may be misleading, because it does not take account of the dynamics of the situation. For Taiwan the dynamic that has mattered is private foreign investment. Taiwan is now out of the aid receiving class. American aid largely ceased in 1965 though there has been some carry over but with its cheap labour, advantageous geographical position, and its rigidly authoritarian government making for political stability and the absence of controls on capital and remittances, Taiwan has attracted considerable private foreign investment. Since 1960 an estimate puts the total at \$650m.

With the new pattern of international relationships which is emerging, countries will have to consider whether it is politically prudent to invest in Taiwan. Chou En-lai's four principles against dealing with Taiwan have already brought pressure to bear on current political isolation and countries may decide that commercial discretion is the better part of diplomatic valour, though this does not mean the sources of capital will necessarily dry up.

In the present scheme of things there is no reason why the U.S. should not continue to invest. The overseas Chinese of Hong Kong and Singapore are often pro-Kuomintang and will probably not be deterred for a while. Recently, an Austrian steel company announced a massive investment. The latest figures, though open to some interpretation, show no large falling off of foreign investment in the first ten months. Foreign investment

approvals totalled \$50m. pared with \$138m. last year though not all of this was coming.

A great deal hinges on whether, accepting its military posture, decides as it has greater role in world affairs. Taiwan economically, it is this by expanding its four circles or making a more demand that choices be made between the countries.

It is possible that as China does attempt to do worst, in an economic sense, it would survive. The many who argue that the has now reached the economic take-off and generate its own capital, still predominantly labour-sive industrially, it has more progress than Hong Kong for example, in creating industrial infrastructure, some steel capacity, and a plant. But here one is realms of hypothesis.

One day

The other possibility is the complexion of Taiwan change and China will political situation there can live with. The parallels of dynamic economies being allowed flourish on "China's show Hong Kong, and Macao. The crucial difference between these two continents is the sovereignty of Peking one day embrace the island. There has been a great speculation recently that the system of government whereby the reins of power in the hands of expatriate though native Taiwanese, per cent of economic resources. But this at bottom presumes a change of heart by an indomitable old man in his adherence to the return to the mainland, where else could he go?

Security Pacific Bank

The first 100 years

It all began in Los Angeles, 1871, with a small office and \$3,000. As California expanded so did we. Now, in terms of population, California is the largest state in the USA, and Security Pacific the second largest bank in California. Indeed, with 415 branches in California, Security Pacific has one of the two largest branch systems in the USA. Our clients now include more than 90 of the top 100 corporations in the USA, and our assets have just passed the 8 billion dollar mark. A pretty good way to end the first hundred years. And start the next.

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SECURITY PACIFIC BANK

There are many good reasons why JAL's 747 Garden Jets are the most successful in the air.

Here's one.

The Boeing Company recently announced that JAL's 747 Garden Jets were the best in the industry for maintenance, turn-round speed and overall aircraft utilisation.

This in itself is quite an achievement considering the number of airlines flying 747's. But the success of our new 747 Garden Jets has not only been due to the excellence of the back-up on the ground. Equally important has been the service in the air.

Here again, JAL's record is excellent. In eleven months just four of our 747 Garden Jets carried more than 200,000 passengers across the Pacific.

They found our in-flight service as different as the plane itself. And whether you take our 747 Garden Jet across the Pacific or our DC8 service from Europe to Japan, you'll always find your hostess anxious to make your flight as memorable and enjoyable as possible. Which is not surprising when you consider the Japanese word for passenger also means guest.



JAPAN AIR LINES

the worldwide airline of Japan





The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

CONSTRUCTION

Taking off the heat

BOAC's new offices above the workshops and car park near the Jumbo hangar at Heathrow Airport, London, incorporate the country's largest thermal balance air-conditioning system.

The open-plan offices occupy 200,000 square feet of the top two floors of the 550 by 200 feet building. Completed earlier this year by W. and C. French under a £2m contract, the building consists of the two storeys of workshops, above which six storeys of car park with space for 2,000 cars stand, surmounted by the two office floors.

The heat pump tonnage of the building is 1,250 tons. Lighting is the main source of recoverable heat, giving the equivalent of 4W per square foot of floor space, which added to the 1W per square foot emitted by each occupant, is sufficient to cater for the building until the outside temperature drops below 34 degrees Fahrenheit.

During the summer, unwanted heat is disposed of by a cooling tower, the base of which is on the ninth floor of the 11-storey central plant core. All the plant is housed in the axis of the spiral car exit ramp, achieving significant space savings.

A system of air-conditioning ducting and pipework hidden above the specially-designed ceiling panels enables heat given off in the inner zones of the building by light fittings, office machines and people, to be redistributed to the outer zones in winter.

The engineering services were designed and installed by Matthew Hall, under the supervision of Parsons Brown, consulting engineers. This firm was also responsible for the design of a similar, but somewhat smaller scheme for the Liverpool Daily Post and Echo newspapers pro-

duction building in Liverpool, scheduled to open next summer. An amusing aspect of the Liverpool scheme was the difficulty the firm had in persuading the client that no boilers would be needed, as sufficient heat would be generated within the building to cater for its needs.

Eventually, the building and the adjacent Jumbo hangar will require about 20MW of electricity. Southern Electricity believes there will be a steady increase in demand and the electrical system is designed for maximum load at a time when 75 per cent of the assessed economic life of the distribution cables has elapsed.

Site work for Thames barrier

FOLLOWING the completion later this month of the site investigation for the raising of the river walls along the Thames in London, Foundation Engineering (part of Costain), is to undertake further site investigations in connection with the proposed Thames barrier.

The work, which will take four to five months, will involve two drilling rigs mounted on barges working round the clock.

The £11,000 contract from the Greater London Council calls for the detailed soil survey for the barrier proposed for Woolwich. Rendel Palmer and Tritton, consulting engineers, who are responsible for the design of the barrier will direct the work.

INSTRUMENTS

Analyses frequency down to 2Hz

A HETERODYNE frequency analyser with a particularly comprehensive specification has been put on the market by B and K Laboratories, of Cross Lanes Road, Hounslow, Middlesex. Covering the range 2 Hz to 200 kHz, the instrument is intended for frequency response measurements, power spectral density measurements, distortion measurements and for electroacoustical, general vibration and sound investigations.

Called the type 2010, the instrument is a constant bandwidth narrow band equipment and has six selectable bandwidths ranging from 3.16 Hz to 1,000 Hz. A built-in beat frequency oscillator is synchronised with the tuning frequency of the analyser which is not only indicated on the log and linear scales of the main tuning dial but also on a six-digit display.

The measured signal is rectified by a true rms rectifier capable of handling crest factors up to five and with a dynamic range of 60 dB. This has seven selectable averaging times up to 100 seconds, allowing programs to be chosen in which the bandwidth of the analyser and the rectifier averaging time are automatically changed with the tuning frequency. Bandwidth compensation is included for power spectral density measurements. The meter is provided with interchangeable scales and has switched log/linear indication.

When required, the entire filter section can be switched out of circuit and then the instrument can be used as a voltmeter and wideband amplifier, or external filters can be connected. Other features include A, B, C,

and D weighting networks, an AFC compressor circuit on the BFO and remote control facilities for frequency sweep, bandwidth and time constant. The dynamic range exceeds 85 dB and distortion is less than 80 dB.

SECURITY

Vibrations trap the burglar

SEISMIC intruder detectors (SID) to protect works of art, shop fittings and windows as well as outdoor equipment such as builders' materials and vehicles, have been designed by Shorrock Security Systems, Blackburn, Lancs., a Hawker Siddeley Dynamics Holdings company.

It is sensitive to high frequency movement—for example, when the object to which it is attached is handled by an intruder—but does not react to low frequency vibration caused by traffic.

Each unit is designed to be connected to a Shorrock burglar alarm circuit and can operate either a local audible alarm or a direct line transmission to a police station or company central station. SID can be used in conjunction with other Shorrock detection devices.

SID has a gold-plated spherical seismic mass sealed in a small plastic capsule which will follow large amplitudes of low frequency vibration as from traffic, but not the high frequency movement caused when handled by an intruder. Such movement open-circuits the contacts forming the sphere's tripod base and closes the circuit to the gold-plated wire "halo" surrounding the sphere.

COMPUTERS

Sweet smell of success

MESSAGES of relatively good cheer to the business equipment industry in Britain and Europe have been expressed by the top management of the Friden division of Singer, led by Mr. R. O. Bally, the president.

In spite of the serious downturn in the U.S. computer and data processing industries, the Friden launches—the System 10 computers, the MDTs point of sale, data capture terminals and the company's electronic invoicing machines—have been going very well, indeed well enough to ensure that for the end of the 1971 accounting period the company would be showing a small profit and would be in the black for 1972.

There has been a massive investment of around \$10m. in both the point of sale equipment and the computer system. Worldwide, the new computers had reached the 150 installation mark including a large proportion in Europe. In the U.K., installations and computers on order had reached 17, which was commendable in view of the economic situation. Indeed, in October, System 10 orders in the U.K. were over £200,000.

HANDLING

Pumping slurry to ships

OFFSHORE pipeline shipboard loading of bulk mineral commodities is being undertaken by Marcona Corporation at its majority-owned iron sands mining operation in New Zealand.

The shiploading was accomplished with the company's slurry handling process, and the cargo was 42,000 tons of iron ore concentrates. It was pumped via submarine pipeline aboard a tanker moored to a single-point buoy located more than 14 miles off Waipipi on the west coast of New Zealand's North Island, an area normally inaccessible to shipping. The system permits pipeline loading of granular materials as a slurry, which is dewatered for stability during

the voyage. It is then repulped into liquid form for pipeline discharge at the destination. The process is claimed to cut conventional bulk ship loading and discharge costs by 60 per cent.

Application of the system at Waipipi has eliminated need for construction of a multi-million dollar conventional port facility and massive conveyor system required for loading of ore in dry form. The shipment is the first under an \$88m. contract calling for delivery of 9,450,000 tons of iron sand to seven Japanese steel firms over a ten-year period. Known as titanium magnetite beach sand, the ore is used for periodic blending with higher grade iron ores in blast furnace production of steel. The Waipipi project is a joint venture between Marcona (N.Z.) Company (75 per cent), a wholly-owned subsidiary of Marcona Corporation, and Viking Mining Co. (25 per cent), an affiliate of Europa Oil, of Wellington, New Zealand.

The Waipipi complex includes a dredge mining facility which will eventually traverse 3,000 acres of New Zealand grazing land; roads; storage reservoir; pump house; a 9,700-foot long, 12-inch diameter submarine pipeline and mooring buoy. After being mined, the property will be fertilised and replanted with indigenous grasses to return it to agricultural use.

In 1969 and 1970, Marcona conducted extensive field exploration tests in the area. Test drilling indicated iron sand reserves in excess of 450m. tons. A pilot plant was built to concentrate about 4,000 tons of the material for evaluation in Japan. Results led to the long-term contract.

The Marcona system was introduced in July, 1969, with the first dockside slurry shipment of iron ore from Peru to Portland, Oregon. Marcona has since signed a ten-year, \$113m. contract for delivery of 10m. tons of iron ore concentrates by the process from its mines in Peru to the Hirohata Steel Works of Japan's Nippon Steel Corporation. Shipments on this contract will commence in mid-1972.

The process is claimed to be both easier to control and far less sensitive to organic contamination than the pyrophosphate systems currently in use, and to provide a 1:1 throw ratio even for the smallest holes. A further advantage is that the deposit is particularly receptive to further deposits of other metals.

A 24V system is employed to drive the independent drive and lift motors (SCR control is available as an optional extra). Drive is through spur gears and braking is applied through the control handle when it is within 15 degrees of full horizontal or full vertical position.

The company claims that the deposit stands up to thermal shock tests in which a piece cut from the board after etching is subjected to a temperature of 280 deg. C for ten seconds during which there is an expansion of about 4 per cent. These properties are, says Sel-Rex, of significant importance where flow wave soldering is used.

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AN acid copper-sulphate plating process designed for the copper plating of printed circuit boards has been made available by Sel-Rex (U.K.), of Holyhead Road, Chirk, Wrexham, Denbighshire.

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POLLUTION

Measures exhaust fumes

TAKING regard of the likelihood that the U.K. Government may soon introduce legislation controlling the percentage of certain gases such as carbon monoxide in vehicle exhaust fumes, Bosch of Rhodes Way, Watford, Herts is making available in this country its exhaust gas analyser type EFAW 173.

Exhaust gas is drawn into the unit by means of a probe in the exhaust pipe, connected to a suction pump, which draws the gas across heated platinum wires to reburn the carbons present. The resultant heat changes the resistance of the wire which is indicated directly in per cent. of CO by volume on a meter.

A more complex unit, the EFAW 215, acts by heating a ceramic plate to 700 deg. C. In this, the plate reflects infrared light which is focused at a dividing tube, splitting the beams into a reference channel and a measuring channel. The reference beam passes freely and unimpeded through a chamber of nitrogen, whereas the measuring beam passes through a chamber of drawn-in exhaust where the CO content filters out certain light rays, weakening the beam and producing a pressure variance by contrast with the reference beam. The degree of variance is measured as an electrical signal registered directly on a meter.

Bosch states that by the end of this year, most BMW dealers will be equipped with the testers.

Most of these were first time only orders and it is understood that the company now is well over quota for computing systems—a sharp contrast with most of its competitors, particularly at the smaller end of the market. U.K. orders and deliveries of the VRC units now were at the 35 mark, although equipment had been available for demonstration and training for only about two months.

For 1972, sales of the System 10 machines world-wide are expected to reach \$40m. while those of the point of sale data capture unit should amount to as much as \$50m. The spur must be the new order placed by Serco-Roshek which has just placed a massive contract with Friden in the U.S. for these specialist terminals, working to the System 10.

The company has no illusions about the requirements of the big department stores in Britain and Europe and is thinking of designing a pooler unit which would take information from the point of sale registers and transform into computer-compatible tape for transfer by van to a central system, rather than work into an on-line system.

Mr. Bally threw cold water on

have to build up quite a before it exceeded the capacity of the plants in the U.S. Holland.

Oddly enough, in spite of cold shivers events in the national computer market have been sending down the spine of the established companies. Friden management appears to be completely relaxed so far immediate prospects are concerned. This seems to be to the fact that the company, done most of its homework only on the hardware side, also on the all-important software.

Watch over pensions

THE FIRST large ICL 1906A computer ordered by the Department of Health and Social Security has been delivered to its Newcastle-upon-Tyne headquarters. Delivery of two more 1906A Systems is expected in May 1972 and August 1973, all three being housed in the Department's 47,000-square-foot computer room. Total value is not far off £3m.

The new computer will be used initially in the administration of the current graduated pension scheme and the earnings related benefit.

It will maintain more than 30m. records, each containing

details of an individual's security contributions. Each there will be over 50m. contribution and other entries made in the records.

Checks will be performed to ensure that correct payments have been made. The system will be testing an statements of account to persons within the scope of scheme.

Scanning of all records a day will be used to provide replies to enquiries, which may 100,000 a day cover a vast subjects, but most relate claims to benefit.

CONTROL

Televised sewage

EUROPE's largest sewage GLC's Beckton Works have closed circuit television supervisory purposes installed.

The cameras will be placed each of 16 primary sedimentation tanks, split into two sets, each dealing with the first ment of raw sewage. An observation in monitoring building will be able to see the moment at the sludge has been removed from any one tank and then off that tank by remote control of mechanically operated.

The consistency of sludge off—important for the efficient operation of the sludge digester process—is dependent on judgment.

Previously, control of the sedimentation tanks carried out visually by an operator walking along beside tank, a total distance of 400

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ALLIS-CHALMERS

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announces the

NEW 9700

computer

and a new option

UNIVAC people are practical people. We are well aware that many computer users are facing a desperate dilemma. Budgets are tight. They urgently need more in-house power, but how do they upgrade without the difficulties inherent in 'incompatibility'? In other words, how do they make the upward transition with minimum cost, effort, disruption?

UNIVAC 9700 offers an entirely new option. Because it is wholly upward-compatible. Not only Univac compatible but industry compatible (including the all-important Operating System software). At last a way is open to switch easily to a more powerful, more versatile computer with all the capabilities demanded by today's sophisticated users.

What capabilities? The new UNIVAC 9700 is a powerful system that handles business data processing, technical and scientific work with equal ease. Because it can handle real-time too, it offers an opportunity to install real-time factory floor control, on-line enquiry/update and other up-to-the-nanosecond systems.

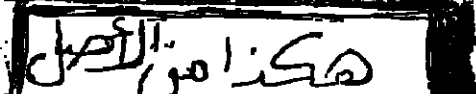
The new UNIVAC 9700 is a multi-programming system, of course. It has powerful communications facilities that allow the use of a large number of terminals including the 'intelligent' variety. It handles batch work fed in on-site or through remote entry and real-time jobs. Simultaneously without conflict of priorities. In short it caters efficiently for every user, at home or at a distant location.

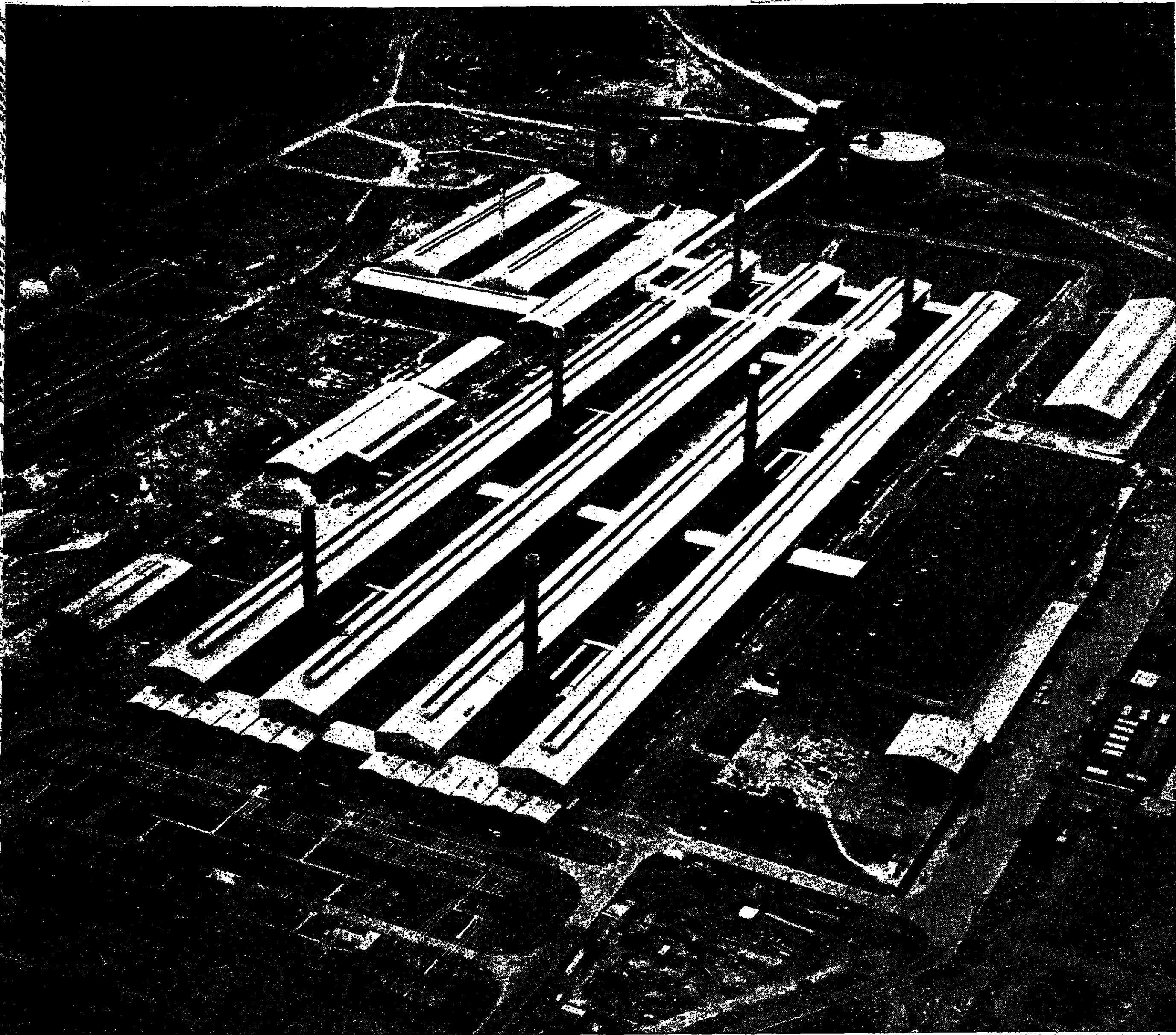
What price for power of this order? The new UNIVAC 9700 is 'bundled'. Which means its price tag covers a generous measure of installation assistance, systems and programming support, technical training and education for user staff. It covers software, too, including a choice of two disc-resident operating systems. A repertoire of application programs. And unlimited machine usage. The new UNIVAC 9700 maintains the UNIVAC tradition of top value for money. It has massive expansion potential... purchase prices range from £280,000 to £600,000.

What else? UNIVAC people are practical people. We know that growth potential is indispensable for any intelligent far-sighted computer user. So the core store of the new UNIVAC 9700 can be expanded from a basic 65Kb to 1m.Kb. There is a big range of peripherals that includes magnetic tapes and discs, card and paper tape handlers, printers, an optical reader and a range of terminals including visual display units. And, of course, communications controllers.

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UNIVAC





The new British Aluminium smelter at Invergordon

TI research means better aluminium smelting

Advanced engineering in action! The smelter of the British Aluminium Company at Invergordon on the Cromarty Firth has now started up. By the end of the year it will be capable of producing 100,000 tons of aluminium per annum. The electrolytic extraction process is basically similar to that used in company's two Highland reduction factories, but research at the Chalfont Technological Centre of British Aluminium in Buckinghamshire has led to a number of developments in the engineering of the reduction cell, in the subsequent processing of liquid aluminium, in the casting process.

Friction welding large meter aluminium-to-steel joints

Smelting of aluminium involves the use of massive carbon anodes. The Invergordon smelter contains 5,800 of these carbon blocks, weighing 1,400 lb, operating at 965°C carrying approximately 7,000 amps. An anode is supported by a hanger consisting of an aluminium bar through which current is supplied. The foot is an 8 in diameter cylinder capable of withstanding the operating temperature of the carbon block.

Producing a mechanically sound aluminium-to-steel joint for this application is a considerable technological problem. Joining has normally involved a preformed 'sandwich' insert made of explosion bonding or roll bonding steel to aluminium in plate form, but this is expensive material and assembly.

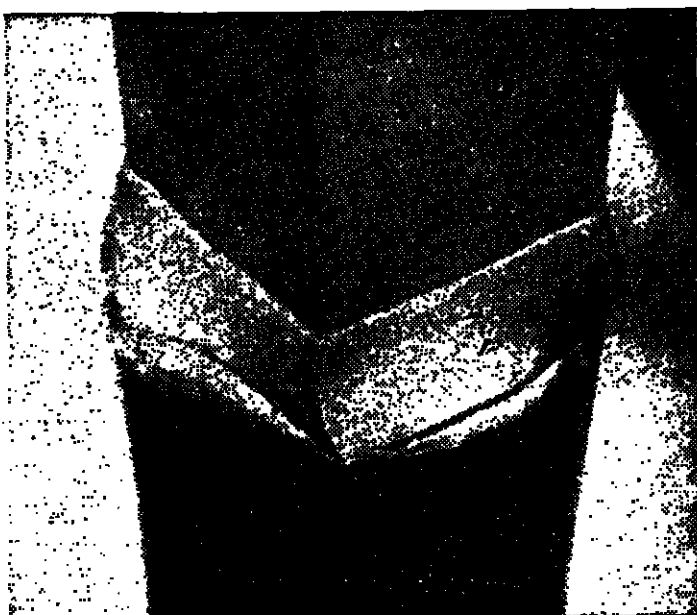
Friction welding is the only alternative but

little success had been achieved before because of the formation of brittle inter-metallic compounds at the weld interface with low mechanical strength. A new approach proposed by The Welding Institute led in early 1969 to a collaborative programme to solve this basic problem and to develop the technique.

Following a series of experiments, full-scale hangers were on trial in smelters by January 1970. Tests showed that friction welds made by this technique suffered no deterioration over a 6-month period under actual cell working conditions; furthermore, the voltage drop across the joint was less than that in joints produced by alternative techniques. A production version of the friction welder is now producing 70 joints in an eight-hour shift for the Invergordon smelter.



Experimental casting facility at British Aluminium's Technological Centre.



Aluminium to steel friction welded joint

Continuous cleaning and degassing of liquid metal

Another innovation at Invergordon is in liquid metal treatment. Liquid aluminium from the reduction cells contains gas and non-metallic inclusions, which can affect metal quality. To remove these it is usual to treat the metal with large quantities of chlorine in reverberatory furnaces prior to casting. A considerable amount of fume, consisting of aluminium chloride, hydrochloric acid and unchanged chlorine, is evolved in the process, necessitating installation of scrubbing towers charged with caustic soda.

Research showed that oxide inclusions could

be removed by passing the liquid metal through a bed of flux-coated alumina balls, the inclusions sticking to the flux coating like flies to fly-paper. Nitrogen degassing was introduced in place of chlorine degassing although there were initial problems in preventing formation of other inclusions.

At Invergordon and other U.K. factories the new degassing and cleaning process will save some £1m in capital costs. It is also currently in operation in three continents.

This challenging work is just one example of the many types of fundamental and applied research undertaken throughout TI - a £300 million group of over 100 companies producing both industrial and consumer goods.

*These innovations are the subject of patent applications in the U.K. and many foreign countries.



- 1967 Coventry Gauge
- 1968 TI/DED
- 1969 Coventry Gauge
- 1970 Coventry Gauge
- 1970 Crane Packing
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Deliveries of second-class mail

ABOUT 84 per cent of second class mail posted on Thursday was ready for delivery on Saturday, Mr. Christopher Chataway, Minister for Posts and Telecommunications, said.

But some mail was not delivered on Saturday because many companies were closed. The remaining 16 per cent was due for delivery on Monday, he told Mr. Patrick Wall (C, Hatteridge).

Mr. Wall said this was not very good. He urged Mr. Chataway to bear in mind, in considering the future of postal services, that while one delivery might be acceptable, people expected to get their mail in the morning before leaving for work.

Fair claim

Mr. Chataway said there was the difficulty on Saturday that there was only one delivery. Since so many companies were closed, the Post Office was unable to deliver mail on that day.

Mr. William Price (Lab, Rugby), asked how our "much maligned postal service" compared with other countries, in particular America.

Mr. Chataway said: "There is a fair claim to be made that our postal services are the best in the Western world."

No contest for 1922 chairman

SIR HARRY LEGGE-BOURKE will be unopposed for chairmanship of the 1922 Committee, the Conservative backbench organisation, in the election of officials and executive at the Commons today.

Sir Harry, MP for the Isle of Ely, is the present chairman.

There will be a contest for the two posts of vice-chairman and for membership of the executive. The two vice-chairmen, Sir Tufin Beamish (Lewes) and Mr. John Hall (Wycombe) are being challenged by Mr. John Biffen (Oswestry).

There are 32 candidates nominated for the 12 positions on the executive. Sir Ronald Russell (Wenlock, South) has been returned unopposed as treasurer and there is no opposition for the two secretaries, Mr. Philip Goodhart (Beckenham) and Mr. John Osborn (Hallam).

Incentive for expansion

A FAVOURABLE climate for industrial investment was now being created and there was every incentive for expansion, Mr. Gordon Campbell, Secretary for Scotland, said.

Tory peers attack sanctions against Rhodesia

BY JOHN HUNT

THE GOVERNMENT came under heavy attack from its own peers in the House of Lords yesterday over its decision to continue sanctions against Rhodesia. Several Tory peers bitterly demanded the ending of sanctions and said they would not vote for the Order to continue them.

But at the end of the debate the motion to continue sanctions was accepted without a division. The Government also came under attack from Lord Alport, the Conservative peer who acted as an emissary to Rhodesia for the Wilson Government. He said that although the Foreign Secretary, Mr. James Callaghan, was right to make the trip to Salisbury he personally saw no chance of a settlement with the Smith regime.

Lord Coleraine (C) told the House: "Have we not to face the fact that the policy of the last six years, which we are now reinforcing, has been a failure on every count?"

"Everything that economic sanctions were supposed to do



Lord Avebury

has failed. Everything they were supposed to do has been achieved in the completely opposite way."

Campbell accused of threatening letters on school milk

MR. GORDON CAMPBELL, Secretary for Scotland, was accused in the Commons of sending "threatening letters" to local authorities in Scotland who had decided to continue to supply free school milk to children aged seven to 11.

Mr. Campbell had told Mr. Alex Eadie (Lab, Midlothian) that 41 letters had been sent to local authorities who had decided to provide school milk.

This was in pursuance of the procedure laid down by statute. Mr. Eadie said: "Do you think it right and proper for your Department to send threatening letters out to Midlothian councilors because, as a matter of consequence, they are not prepared to deprive schoolchildren of school milk?"

Mr. Campbell said: "The position is governed by statute. I was statutorily bound to write to them as they were affected by the auditors' reports, and to consider any statements they cared to make to me."

Mr. Campbell said that 18 local authorities and 14 other organisations had made representations about the withdrawal of free school milk.

He was aware, he said, that there was dislike of the policy but it was not universal. He knew there were difficulties and he had discussed them with local authority representatives.

Mr. Thomas Galbraith (C, Hiltoun) asked if any of the local

authorities who had protested had any proof that the children of Scotland were suffering from malnutrition in any way.

Mr. Campbell said No. The problem I have discussed is now the medical side should be carried out and I have made it clear to them that the decision about individual children must be left to the medical profession.

Mr. Norman Buchanan, for the

with our own. He thought this was due to the imposition of sanctions by Britain and the refusal by almost every other country to accept them.

Rhodesia was now de facto an Independent State with an effective and peaceful administration over the area which it controlled.

He also attacked the Government's determination to continue talks on the basis of the five principles. Lord Coleraine said that he did not believe in the "mystic virtue" of the Government's policy had been disastrous and would continue to be so.

If there was a division on the sanctions Order he would not challenge the Government but would abstain.

Another Tory peer, Lord Fraser of Lonsdale, also said that he could not take part in the vote because he could not support "this frustrating and absurd business of sanctions."

Far from achieving their purpose

they had done exactly the opposite of what was expected of them.

"Are the five principles sacrosanct because they were written down six years ago?" he demanded. "Men make mistakes and we have clearly made a mistake here."

"Is it not better to own up instead of adding and to recognise that we have set the battle of Rhodesia? Should we not try hard to make terms with the only government which exists?"

The abolition of sanctions was also demanded by Lord Milverton (C), a former colonial governor, who described them as an assault on the economy and well-being of the Rhodesian people.

"It is because I regard sanctions as the equivalent of international blackmail that I think that the sooner the British Government abandons this unwarranted misuse of her influence the better," he told the House.

Lord Alport declared that he was supporting the Order for continuing sanctions, but could not pretend that he was happy that Sir Alec was going to Salisbury. He thought he was right to make the trip, but only to convince himself and a vociferous section of his supporters that an honourable settlement was a political mirage.

Final failure

Technically Sir Alec had placed himself in the weakest possible position.

"By going to Salisbury he will have added two and subtracted from the price which Mr. Smith is asking for a settlement," said Lord Alport.

In the end Sir Alec would be confronted with an excruciating dilemma. He would face the alternative of a dishonourable settlement or the acknowledgement of final failure. An honourable agreement was not politically possible.

Lord Alport warned against a self-out which would be accepted by the Government merely to avoid political embarrassment in Parliament.

For the Government Lord Latham, Under Secretary for the Foreign and Commonwealth Office, said the abandonment of sanctions now would "seriously prejudice the prospect of an acceptable agreement."

The original gap between the two sides had narrowed but there was still major differences.

Lord Avebury (Lib.) announced that he would not oppose the motion but it would be naive to imagine that there could be a successful outcome.

Compensation for JPs

MAGISTRATES are to get the same rates of compensation for financial loss as will be available to local councillors, Mr. Mark Carlisle, Home Office Under-Secretary, said in a written reply.

Community service plan in new justice Bill

BY PHILIP RAWSTORNE

COMMUNITY SERVICE work as an alternative to short prison sentences is to be introduced under the Government's Criminal Justice Bill published yesterday.

This, and other experiments designed to reduce the number of minor offenders overcrowding the country's prisons, are accompanied by tougher penalties for crimes of violence and provisions for compensation of victims.

The community service arrangements will be tried at first in a few selected areas of the country. Courts will be able to offer offenders the choice of 240 hours of unpaid, spare time work on community projects under the supervision of probation officers or a term of imprisonment.

More punitive

The Bill also empowers the courts to make community service orders likely to cover a variety of jobs from digging hospital grounds to painting and decorating old people's homes for breaches of probation or for defaults on fines.

Other experiments to be introduced under the Bill include

the establishment of a small number of day-training centres providing intensive supervision and social education for certain offenders on probation; to "trying-out" centres for voluntary medical and social treatment of drunks.

Courts will be empowered to defer sentences in some cases and will not be allowed to pass prison sentences on persons over 21 who have not previously been imprisoned unless no other sentence is considered appropriate.

These provisions, which largely implement recommendations of the Wootton Committee, are balanced by more punitive measures aimed at major criminals.

The Government's concern over the rise in crimes of violence is reflected in increased penalties for offences involving firearms. The penalty for possessing a firearm with intent to endanger life and for using it to resist arrest is to be raised from 14 years to life imprisonment.

Where an offender is convicted of a serious crime, the Courts will have power to order the forfeiture of property used in its commission. Offenders who use cars in such cases could be dis-

qualified from driving for a period the Courts think fit. In line with the recommendations of the Wootton Committee, the Bill provides powers to Courts to order criminals to compensate for personal injury and loss of, or damage to, property caused in committing offences.

Compensation orders will apply in cases of traffic accidents, but with the exception of a limit in magistrates' Courts, they will be subject to no other restrictions due to the nature of the offence, the sentence or the age of the Court.

No appeal

As expected, the Bill also provides for a limited right of appeal against a criminal bankruptcy. The Criminal Court is to be empowered to make a criminal bankruptcy order against any person convicted of offences that cause or are likely to cause damage to property of £15,000 or more.

The Government's intention to ensure, as far as possible, that crime does not pay for major criminals—his assets being secured for reparations to victims. The Bill excludes the right of appeal against a bankruptcy order.

More help for mining companies under way

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

FURTHER legislation to help mining companies is now under Government consideration, Sir John Eden, Minister for Industry, told the Commons last night.

The Bill envisaged would be designed to "iron out" the difficulties encountered by mining companies in gaining access to land and minerals.

It would take a stage further the Mineral Exploration Bill—given a second reading by MPs—which provides for Government aid towards the cost of exploring for mineral deposits.

Explaining the Government's intentions during debate on this Bill, Sir John said that most metal mining companies exploring here had little or no profits available against which they could take advantage of tax related incentives.

Far ranging

"Because of the long time lag before capital allowances relating to exploration can be claimed, their value in discounted cash flow terms is much reduced."

The mining industry has made strong representations to us and it was becoming apparent that in the face of the problems I have outlined momentum in their exploration effort was being lost."

Sir John pointed out that the Bill was geared to the special needs of the industry and provided additional incentive for

exploration mainly in the metal mines. It included exploration of this sort on the Continental Shelf.

The amount of Government contributions which could be paid out was limited to £25m., but there was provision for a further £25m. which could be made available by Government Order.

Repayment of Government contributions would only be required if a project led to the extraction of minerals in commercial quantities.

Sir John said he was confident that this measure would enable far ranging programmes of exploration that would cover many parts of the country.

He considered that in due course these would lead to the revival of a viable metal mining industry which would make a "major contribution to the country's wealth."

At present the U.K. imported annually over \$600m. worth of non-ferrous metals and their ores.

If we can foster the revival of a healthy and prosperous metal mining industry in this country, we can achieve significant savings in foreign exchange, establish secure sources of supply and create new wealth.

In doing so, the planning safeguards for the environment would be observed.

Sand, gravel, clay, oil or hydrocarbons were excluded from the Bill, but the Minister pointed out

that if necessary these mines could be considered on the same stage of the Bill.

Mr. Alan Williams, for Opposition, welcomed the measure for what it did.

"This measure, far from being seen as a step forward, is merely an attempt to retrace step backwards the Government took when it abolished investment grants," he said.

Investment grants

"I welcome it in so far as it facilitates exploration but regret it makes no attempt to continue the process of removing unnecessary obstacles."

Mr. Williams said the Bill was an appalling waste of opportunity. If the Minister cared about minerals it was pricing that the chance to be in a good Bill had been lost.

"One does suspect he is given way to a parting strong lobby for one section of the industry. The Minister tends to exclude key sectors of minerals from the operation of the Bill."

"Yet the demand for sand and gravel has increased in the last 40 years and demand for any other mineral in the next decade exceeded the production of other mineral in this country other than coal."

Housing Bill should not affect wages, says Minister

THE GOVERNMENT'S policy on housing finance should not affect Scottish wage rates, Mr. George Younger, Under-Secretary, Scottish Office said in the Commons.

Mr. James Sillars (Lab, South Ayrshire), who had asked what steps the Government had taken to assess the effect of this policy, said: "You are talking about a different group of trade union-

ists than the ones I know. This Housing Finance Bill will substantially increase the rents of miners and other workers."

Mr. Sillars claimed it would be "perfectly legitimate" for all ally different from the former Labour Government's proposals for a 37p increase.

There would also be a rent rebate scheme for the poorest families.

Mr. Younger suggested that Mr. Sillars give more study to the Government's proposals. The proposal for a maximum increase of 50p a week was not substantially different from the former Labour Government's proposals for a 37p increase.

There would also be a rent rebate scheme for the poorest families.

All of these securities having been sold, this advertisement appears as a matter of record only.

NOT A NEW ISSUE

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November, 1971

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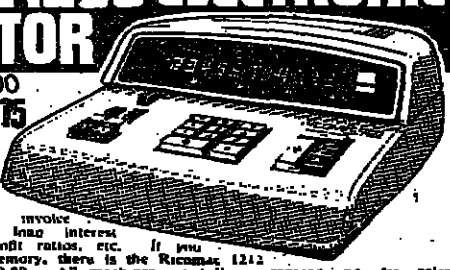
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Wankie Colliery Company Limited

(Incorporated in Rhodesia)

The following is an abridged version of the Annual Review by the Chairman of Wankie Colliery Company Limited **SIR KEITH CUTT** for the financial year ended 31st August, 1971.

Coal sales during the year amounted to 3 082 533 metric tons which was only 78 257 metric tons lower than last year. While there was a sharp reduction in the tonnage railed northwards, there was an increase in coal supplied to southern customers so that overall the tonnage sold was not materially different. The sales to northern customers are unlikely to rise above the present levels.

The continuing lack of any reliable forward estimates of truck availability and fluctuations in rail wagon supplies resulted in peaks and troughs in daily and weekly outputs. This naturally adversely affected our costs of production and made it difficult to supply the specific demands for various grades of coal. We believe that the Rhodesia Railways is now more aware of our problems in this regard and in turn appreciate their difficulties and endeavours to overcome these. However, we remain dependent on their service and on their ability to meet our truck requirements.

The shortage of trucks was relieved to a slight extent from March to early August by a road lift of coal to the Bulawayo power station. Since then, however, the Electricity Supply Commission has reduced its demand and it is understood to be running down stocks of coal in anticipation of increased hydro electric power becoming available shortly. This has again necessitated a change in our mining programme. No. 1 North Colliery has been closed temporarily and the level of output from No. 3 Colliery and the main Opencast Pit has been reduced. In all these circumstances it is difficult to estimate the level of coal sales in the coming year, but we are hopeful that they will not be less than last year.

Coke

The sale of coke, which at 395 689 metric tons was a record for the Colliery, was 43 635 metric tons higher than last year. We believe that while there are indications of a reduced demand for coal, sales of coke are likely to continue to increase.

The first stage of the new coke ovens is scheduled to be in production in December, with an annual output of some 200 000 metric tons. The completion of the second stage, which will provide drying and preheating equipment, will increase the plant output by some 30 per cent. Unfortunately progress has been delayed by a fire which damaged some of the sophisticated electronic equipment on the mechanical charge car. This stage should be commissioned in 1972 and we will then have coke making capacity in excess of 400 000 metric tons a year from the new ovens, the beehive ovens and the old No. 1 Colliery retort ovens which will be maintained for as long as possible. Although adequate coke making capacity, the costs of our coke operations are likely to be higher when the new ovens are in commission and an upward revision of prices of coke is inevitable in 1972. The prices of coke and indeed coking coal in South Africa and Europe have increased substantially and are considerably higher than prices for these products in Rhodesia and we will continue to explore the possibilities of sales to foreign markets.

Income from our by-products, which was affected by the transfer of much of the plant to the new site, should then improve. There is a good demand for

our tars and benzole but ammonia liquor production will be in excess of current demand.

The main items in the accounts were published when the final dividend of 10 cents per share was declared. This dividend together with the interim dividend of 5 cents makes an unchanged dividend for the year, although profits, after providing for taxation, were \$2 551 000 which was \$345 000 less than last year.

Our profit on trading was affected primarily by the greatly reduced sales of coal to our northern customers and at \$2 503 000 was some \$381 000 below last year. As was expected income from investments was also down because not only was the previous year's income inflated by the high terminal dividends from the Zambian copper companies, but during the year it was necessary to call up loans to provide the monies required for capital expenditure. This amounted to \$4 760 000 and is likely to remain at about this level for some time. Work on the new coke ovens has still to be completed and it is now necessary to reconstruct and expand our grading and washing facilities in order to meet the growing demand for washed and varying grades of coal and for specially prepared coking coal for the steel industry. We expect that the new coal preparation facilities will cost at least \$5 000 000 over the next few years. In the year under review we realised an investment and called up loans amounting to almost \$3 000 000 and we will probably have to do the same this year which will further reduce our income from investments.

In addition to the expenditure on the plant, we have had to incur some expenses on investigation of the site and the coal reserves which might be required to supply coal to the Electricity Supply Commission for a thermal power station. If the power station is erected at Wankie as I believe it will be, the Company will be involved in expanding the opencast pit which is at present relatively small into a large highly mechanised operation at considerable cost.

Coal Price Agreement

Early in the year a request for an increase in the notified average selling price of coal, in terms of the 1953 Coal Price Agreement, was submitted to Government. This request was rejected and Government stated that it wished to re-negotiate the 1953 Agreement which is applicable to sales in the three territories of the former Federation of Rhodesia and Nyasaland but which is only due for re-negotiation in 1973. After discussions Government eventually agreed to a revised schedule of prices for washed coal in Rhodesia to come into effect on 1st January, 1972. Discussions were continued and certain interim arrangements effective from 1st September, 1971, were made. Details of these arrangements have been published in the press and are set out in the directors' report.

For the past five or six years coal sales to Zambia have realised a much higher price than was realised on sales in Rhodesia. With the collapse of our selling prices in Rhodesia should permit us a reasonable profit margin. Government considered that, during the interim period until a new agreement could be negotiated, a figure of 43 cents per short ton in place of 57 1/2 cents, plus the existing incentive allowance which is earned for keeping down costs, would give us a reasonable return. This profit margin is in keeping with profits recently earned on Rhodesian sales, but our overall profit per ton in the past few years

from sales under the 1953 Agreement has been nearer 57 1/2 cents because of the higher profit on northern sales. The question as to whether or not it will give us a reasonable profit in the longer term is another matter and the Government has agreed that the new interim profit margin will not be taken into account when determining the profit margin under any new agreement which may be concluded.

In the present circumstances a basic profit margin of 43 cents per short ton might be considered satisfactory but, due to the high cost of washing coal and slowly rising costs of our operations in general, it is unlikely that we will achieve this figure. It now seems very likely that, during this financial year, the shortfall of actual profit compared to the profit permitted under the interim arrangement could approach \$1 000 000. While we have agreed not to seek an increase in coal prices in Rhodesia before 1st September, 1972, the present indications are that the scheduled prices of coal are already marginal and we will clearly have to ask for a substantial increase in prices in Rhodesia to recover the shortfall and ensure that the basic permitted margin is achieved.

The recovery of the deficiency revenue calculated in accordance with the 1953 Agreement, amounting to \$623 140 at 31st August, 1971, will depend on the availability of export markets. We believe that a thermal power station, and our coal externally, at prices which are higher than the local market. Given a reasonable supply of railway trucks and the possible resumption of free trading, we might be able to recover this deficiency in a short time.

I must add that the condition that the company be absolved from the obligation to place 25 per cent of the profit on coal trading to reserves is no concession on the part of Government. This obligation was originally inserted at the request of the Government of the time to ensure that the company would be able to finance its developments from its own resources. In view of the heavy capital expenditure inherent in keeping alive a mining operation geared to supply the needs of all its customers, we have in the past placed to reserves more than the obligatory requirements and will continue to do so for as long as we can. Experience in the past at Wankie and elsewhere has demonstrated that an industry such as ours must be in a position at short notice to open up further sources of coal and modify or renew plant to meet modern requirements.

Clay Products Limited, in which company we have a large interest, has considerably expanded its plant at Bulawayo. It continues to meet the internal demand for salt-glazed ware and is making a large number of types of refractory brick and hollow ware previously imported. It is well geared to broaden its range of products and its output. This is a highly technically specialised industry which we confidently believe will grow rapidly.

Notice is hereby given that the forty-eighth annual general meeting of members of Wankie Colliery Company Limited will be held at the registered office, 70 Jameson Avenue Central, Salisbury, on Friday, 3rd December, 1971, at 9.00 a.m.

Copies of the annual report and accounts are obtainable from the London office of the Company, 40, Holborn Viaduct, EC1P 1AJ and from the office of the U.K. Transfer Secretaries, Charter Consolidated Limited, Kent House, Station Road, Ashford, Kent.

VAT will involve 1.5m. traders says Excise chief

FINANCIAL TIMES REPORTER

ABOUT 1.5m. traders would be following VAT accounting period, Mr. Radford said the general conclusion of those with whom the department had consulted was that the U.K. would be better off without a buffer rule. "If there is entitlement to a repayment we should pay it," he said.

Mr. R. W. Radford, deputy chairman of Customs and Excise, told 400 delegates on the first day of the two-day event that the introduction of VAT was the biggest change his department had to face since purchase tax was introduced 31 years ago. Organised by the Financial Times in association with the Institute for Fiscal Studies, the conference concentrated yesterday on VAT. To-day it will concentrate on corporation tax.

Network

Staff were now being trained to provide a network of local personnel able to give talks on VAT before it is introduced in the spring of 1973, said Mr. Radford.

What the department hoped to do was to send specialist training representatives to address trade associations, chambers of commerce, Rotary clubs and similar organisations well before VAT came into being. "We have had views expressed by some 400 different associations, and we have had meetings, in many cases more than one, with something approaching 200 of these organisations. This massive and time-consuming exercise, but it has been interesting and it has certainly been useful."

"We have learnt quite a lot and have been able to modify our ideas and as a result the tax when it comes will certainly be a better one, and simpler and easier to operate than it would otherwise have been."

Speakers

The time for the greatest effort would come following next spring when legislation was due to be published and the details of the scheme would be known. Mr. Radford said the department would welcome the co-operation of trade and industry in this task of education.

Dealing with practical aspects of VAT, he said some Common Market countries operated a "buffer" rule under which any overpayment made by a trader was offset as a credit in his

following VAT accounting period. Mr. Radford said the general conclusion of those with whom the department had consulted was that the U.K. would be better off without a buffer rule. "If there is entitlement to a repayment we should pay it," he said.

He went on to say there was one aspect which seemed not to be fully understood by everybody. "The operation of a credit mechanism within the tax. Some people may have been misled by explanations which are

In a personal critical assessment of VAT Mr. Dick Taverne, one of Labour's shadow spokesmen on the Treasury and a director of the Institute for Fiscal Studies, and Opposition spokesman on taxation, said that in Denmark, whose economic position was similar to the U.K. at the time it introduced VAT, the change-over led to an increase in the cost of living of 7.9 per cent within six months.

Ratchet
The increase in prices was not all due to VAT, but prices in Denmark were already under pressure at the time of the introduction and the opportunity was taken to raise prices generally. "This movement of prices in only one direction—upwards—had become known as the 'ratchet' effect."

"This ratchet effect on prices is a very real danger," said Mr. Taverne. "Taxes taken off—like SET—do not necessarily reduce the cost of living, whereas the imposition of new taxes certainly increases it. There is a considerable danger that the increase will be higher than the actual increases in the VAT burden will suggest."

It was unlikely that such price increases would be contained without bodies like the Consumers Council and the Prices and Incomes Board to police them, said Mr. Taverne.

Failure

Commenting on the delay in the VAT legislation, Mr. Richard Harrington, director-general of the Business Equipment Trade Association, asserted yesterday that it appeared to indicate a complete failure by the Government to appreciate what the introduction of VAT means for industry.

Unless the U.K. version was going to be a complete VAT system on the Continent, businesses would be faced with an intolerably expensive accounting problem in the initial stages. "Since publication of the Green Paper, we have been asking the Government for details of the number of tax rates proposed and the number of places of decimals in which these rates will be expressed. Without this information it is impossible to plan the necessary modification of computer programmes and accounting equipment generally, to enable businesses to account for the new VAT," Mr. Harrington said.

"The Chancellor's decision to defer the release of further information seems almost designed to cause the utmost difficulty and confusion for businesses when they are faced with the introduction of VAT," he commented.

Volume

VAT was not likely to be quite so neutral in practice as it was thought to be in principle, said Mr. Kelsey van Muschenbroek, consumer editor of the Financial Times.

From the retailer's point of view, it was decidedly not neutral that he will be acting as a key tax collection agent for the first time in his life.

Mr. van Muschenbroek forecast that VAT would seem to favour large-scale retailing, devoted to volume rather than margin. Because of this its introduction may accelerate the concentration already taking place in this field. In the EEC, there appeared to be a relationship between the development of this type of retailing and the introduction of VAT, he commented.

Hotter

Dealing with VAT and the service industries, Professor W. B. Reddaway, of Cambridge University, said they would find that in the context of SET of prices had probably come out of the frying pan into the fire—and the fire is hotter.

The key question was the rate at which VAT was to be levied. A figure of 10 per cent, had been mentioned in one report on the subject. VAT at that level would be a disaster for the service industries. Professor Reddaway said he felt that people who had talked about the wickedness of SET would not welcome having it replaced by VAT at that rate.

The introduction of VAT would mean the abolition of the highly selective SET and its replacement by a uniform tax. People now paid more for SET goods than for the new system, and people now paying purchase tax would in a sense pay less.

In simple terms it meant that in the case of two firms, identical except that one employed more labour than the other because it was inefficient, the less-efficient firm would be paying a higher amount in SET than the efficient firm and was also paying more in wages and salaries because of its larger work force.

Under VAT, both firms would pay the same.

More BR 'Merry-Maker' trains in 1972

BRITISH RAIL said yesterday that its 'Merry-Maker' programme of special trains during 1971 had been most successful. Sixty special trains had been run to nearly 30 different destinations, which was Paris and all at bargain prices. Well over 20,000 passengers had travelled, and many people made more than one trip. In many of the more popular trains, "sold out" notices appeared on stations at least two weeks before the off.

The BR London Division is planning, in association with the various Tourist Authorities, special trains in 1972 to many more destinations, "all at bargain prices."

INTERIM STATEMENT

THE BRITISH & COMMONWEALTH SHIPPING COMPANY LIMITED

INTERIM STATEMENT

At a Board Meeting held today the Directors resolved to pay an Interim Dividend in respect of the year ending 31st December, 1971, at the rate of 6 per cent. on the Ordinary Stock of the Company, such dividend to be payable on 20th December, 1971, the last date for transfer being 15th November, 1971. The Interim Dividend in respect of the previous year was also 6 per cent.

A statement is given below showing the estimated Group profit for the six months ended 30th June, 1971, with comparative figures for the similar period of the previous year and the actual figures for the year 1970.

ESTIMATED UNAUDITED GROUP PROFITS FOR THE 6 MONTHS ENDED 30th JUNE 1971.

| | Estimated 6 months to 30th June 1971 | Estimated 6 months to 30th June 1970 | Actual Year to 31st December 1970 |
|--|--------------------------------------|--------------------------------------|-----------------------------------|
| TURNOVER | £7,700 | £7,700 | £7,700 |
| PROFIT FROM SHIPPING, AVIATION AND OTHER ACTIVITIES | 6,586 | 6,267 | 11,295 |
| DEPRECIATION | 3,592 | 3,533 | 7,314 |
| INTEREST PAID in respect of trading assets | 2,994 | 2,734 | 3,981 |
| OPERATING PROFIT | 752 | 798 | 1,626 |
| OTHER INCOME | 2,242 | 1,936 | 2,355 |
| Associated Companies—See Note 3 | 80 | 181 | 1,331 |
| Other investments | 870 | 824 | 1,609 |
| Interest received | 772 | 776 | 1,767 |
| LESS: Other interest paid | 1,692 | 1,781 | 4,707 |
| LESS: Franked income dealt with below | 504 | 601 | 1,453 |
| | 1,188 | 1,180 | 3,254 |
| | 628 | 720 | 1,823 |
| | 560 | 460 | 1,431 |
| | 2,802 | 2,396 | 3,786 |
| | 157 | 101 | 242 |
| INVESTMENT GRANTS RESERVE | 2,959 | 2,497 | 4,028 |
| TAXATION—See Notes 1 and 2 | 958 | 883 | 1,424 |
| | 2,001 | 1,614 | 2,604 |
| FRANKED INCOME, less applicable to minority interests—See Note 4 | 617 | 720 | 1,823 |
| MINORITY INTERESTS | 2,618 | 2,334 | 4,427 |
| | 180 | 102 | 199 |
| ATTRIBUTABLE TO MEMBERS OF THE BRITISH & COMMONWEALTH SHIPPING COMPANY LIMITED | 2,438 | 2,232 | 4,228 |

NOTES

- The taxation charge for the 6 months ended 30th June, 1971, is based on the estimated effective rate to be borne for the year ended 31st December, 1971.
- The comparative figures for the half-year to 30th June, 1970, have been adjusted: (a) to exclude the results of B.U.A. and the taxation and minority interests applicable thereto, and (b) to reflect the effective rate of taxation as shown by the Accounts for the year to 31st December, 1970.
- Sea Lion Investments became a subsidiary with effect from 1st January, 1970; in addition to the contribution of that Group to profits for the half-year to 30th June, 1970, there was included under the heading 'Other income—Associated Companies' an amount of £91,000 in respect of a final dividend paid by that Company for the year to 31st December, 1969.
- Franked Income applicable to minority interests in subsidiaries has been deducted, as shown, from total Franked Income to arrive at the amount of such income applicable to the Group.
- Since 30th June, 1971: (a) British Air Transport (Holdings) Ltd., in which Eagle Star Insurance Co. Ltd. has an interest of some 9%, has acquired 48% of the share capital of Air Holdings Ltd., for a consideration of £3,975,000. With this acquisition, the effective interest of the Group in Air Holdings Ltd., amounts to approximately 90%. (b) Subsidiaries of the Group have acquired control (an interest of approximately 81%) of Tasmanian Board Mills Limited for a consideration of £860,000; minority shareholders of one of these subsidiaries are entitled to participate in this interest to the extent of approximately one-seventh, subject to the repayment of certain loans made in connection with the acquisition.
- Excluding the results of Air Holdings, other than dividends of £560,000 received prior to the acquisition of the new holding (1970—£420,000) and excluding any profits of Tasmanian Board Mills, whose year end is 30th June, 1971, it is estimated that the profits for the year to 31st December, 1971, after providing for taxation and minority interests, will be marginally better than the profit of £4,228,000 reported in respect of the year to 31st December, 1970. It is anticipated that the contribution from shipping for 1971 will be maintained at approximately the same level as for 1970 and franked income, although somewhat lower at the half-year, is expected for the full year to exceed that of the previous year.

Karak 'victim in take-over deal'

TWO directors of the Karak firm do not know it was being used to finance a takeover of the Rubber Co. Ltd. and the company's shareholders in the takeover, Karak, a once-wealthy company, was compulsorily wound up in 1961 with the collapse of the Burden group of 13 companies.

Mr. Justice Brightman said Karak was the victim of a species of take-over fraud where by those seeking to buy a controlling interest in the company put their fingers in the company's till and steal the money to pay for their purchase. Barclays was the unconscious tool which aided this process.

Judgment was given for Karak and its liquidator against Barclays and the two directors, the late Mr. John Leonard Burden (sued through his trustee in bankruptcy) and Mr. Douglas Alfred Cross.

The assistant bank manager was thrown off his guard by his anxiety to secure the promised funds. The Bank were also liable on the grounds that Mr. Burden and Mr. Cross were the trustees of Karak's money and the Bank were their agents, and so continued to be. The Bank were also liable on the grounds that Mr. Burden and Mr. Cross were the trustees of Karak's money and the Bank were their agents, and so continued to be.

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Indices and portfolio performance

By Eric Short

THE FINANCIAL TIMES share indices are most appropriately used for establishing the representative day-to-day change in share prices, stated Professor H. B. Rose last night when he gave the Esmé Fairbairn Trust Lecture in London.

An unweighted geometric mean, however, like the indices, would not usually represent the experiences of an average portfolio. For long-term measurements an arithmetic mean was more appropriate, he thought.

Professor Rose referred to a study by Mr. Peter Marks and Professor Alan Stuart in which a comparison of the Financial Times Industrial Ordinary Share Index was made with an unweighted arithmetic average based on the same constituents as the index. That showed an understatement of 0.8 per cent per annum in the former as compared with the latter.

In measuring investment performance, there were certain general principles of assessment to be considered. They included the effect of timing of new money, and the performance measured should be related to total return and to the objectives of the fund. There was no single index which would meet those last two points, he contended.

Engineering union's undertaking

THE Amalgamated Union of Company, Johnson Matthey and Engineering Workers undertook Co.

When the case first came before the court in February, 1970, the factory owners alleged that the union had been that by the imposition of "unlawful interference" with their business by blockading the works and "blackening" the goods.

Mr. Alan Campbell, QC, for the companies, told Mr. Justice Foster that his clients had been threatened with a "blockade" and "blackening" of the works, and its parent

ing to force the companies to accede to a recognition claim. His clients were in an impossible position as since 1941 the British Iron and Steel and Kindred Trades Association held sole negotiating rights and if they acceded to the union's claim they were threatened with industrial action by the Trades Association.

Mr. Campbell said the parties had now agreed terms of settlement and the companies, who were anxious to foster and maintain good industrial relationships, were not proceeding with their claim for damages or for costs.

Synthetic fibres growth rapid in last eight years

JOHN TRAFFORD

Deliveries of well knitted goods, widely used in women's underwear, have doubled while the gross domestic product has grown slightly since 1963, according to a survey published in today's issue of the Department of Trade and Industry's *Textile Statistics*.

Because of the growth of purpose and multi-fibre yarns and the blurring of the lines between the traditional wool and knitting of the British textile industry, the DTI has revamped its term statistical service. An article published today is a quarterly series giving a comprehensive review of the British textile industry, its consumption, employment, national trade and prices in the industry, including clothing.

In 1963, the textile industry's labour force has been by some 20 per cent, 829,000 then to 688,000 now. The proportionate reduction in the cotton and made fibre weaving sector of the woolen and worsted where numbers have been by about a third.

Main developments during the last eight years have been rapid growth of fully elastic fibres—such as nylons, sters and acrylics—and the rise of knitted fabrics at expense of woven fabrics. The demand for fully synthetic fibre rose on average by 22 per cent a year and for cotton filament yarns, widely used in knitted fabrics, by 15 per cent annually. Although in output of woven and knitted is totalled about the same in 1965, knitted fabrics had their share from 16 to 18 per cent.

TI to axe another 90 jobs

By David Walker

TUBE INVESTMENTS is to axe another 90 jobs by mid-February, it announced yesterday. The news brings the cutback in the group's labour force since the beginning of the year to well over 1,000.

The latest move affects the Oldbury Works, plant of its subsidiary, Tube Products, which manufactures welded steel tube. A "prolonged period of low demand" had made action essential, Tube Products stated. The company pointed out that the plant, which has a total labour force of 1,450, had had to suffer two periods of short-time working so far this year.

Retirement of those over pensionable age, selected early retirement of those approaching that age, a review of part-time working arrangements, and voluntary redundancy would be used to keep outright dismissals to a minimum.

66m. U.K. population forecast for 2001

A LOOK into the next century young females throughout the time.

Men aged under 55 will total about 900,000 more than women, but women will continue to outnumber men in the 55 and over groups. The grand total of females will be 50.7 per cent, compared with 49.3 per cent males, a difference of about 1.4 per cent.

There will be an upward trend in births because the number of women in the main child-bearing age is rising all the time and is expected to increase even more. Families are not expected to alter very much in size and the projected average figure remains at about 2½ live births per first marriage.

There will not be such a large proportion of elderly people by 2001, when the rate of 12.3 per cent will reflect the low birth-rate of the 1950s. The 12.8 per cent of 1970 will increase to 13.9 per cent by 1981.

Rising rate

The 2001 projection will show an increase of 19 per cent in 31 years, or about 1 per cent every year in the first decade and a slightly higher rate later.

The under-20s will have increased to 32.4 per cent of the total population by 2001, compared with 30.9 per cent in 1970, and young males will exceed by 1981.

Guernsey action will be heard in new form

BY OUR OWN CORRESPONDENT GUERNSEY, Nov. 10.

AN ACTION for over £148,000 damages against National Westminster Bank Finance (CI), local hotel, the damages claim stopped yesterday on a point of law by Guernsey's Bailiff, Sir William Arnold, is to be taken back to court in a new form.

This was stated today by Mr. W. J. Wade, a director of Hougue Fouque Property, of St. Peter Port, which brought the action. "In view of what was said in the course of yesterday's hearing we shall be taking immediate steps to reformulate the summons."

The property company alleged that National Westminster Bank Finance (CI) failed to honour an agreement with Mr. Wade to lend his company £23,000 to acquire a local hotel. The damages claim was based on estimated loss of profits.

The case was stopped when Sir William upheld a submission by the defendant that as Hougue Fouque Property had not been formed when the offer of the loan was made to Mr. Wade, the bank had no contract with plaintiff's company and that there was therefore no grounds for the action. In giving his ruling Sir William said that this did not preclude the case being brought back to court in another form.

NEWCASTLE £14m. OFFICES PLAN

London and Overseas Properties announced in Newcastle yesterday that work should start early next year on a £14m. office block in the city centre with completion date about two years afterwards.

Blocks of offices up to eight storeys will go up on the site of the old Douglas Hotel at the corner of Granger Street and Neville Street, opposite the central station. The island site will also contain two public houses which have been pre-let to Scottish and Newcastle Breweries. Eleven shops will also be provided.

Impact of credit changes will be considerable

MICHAEL BLANDEN

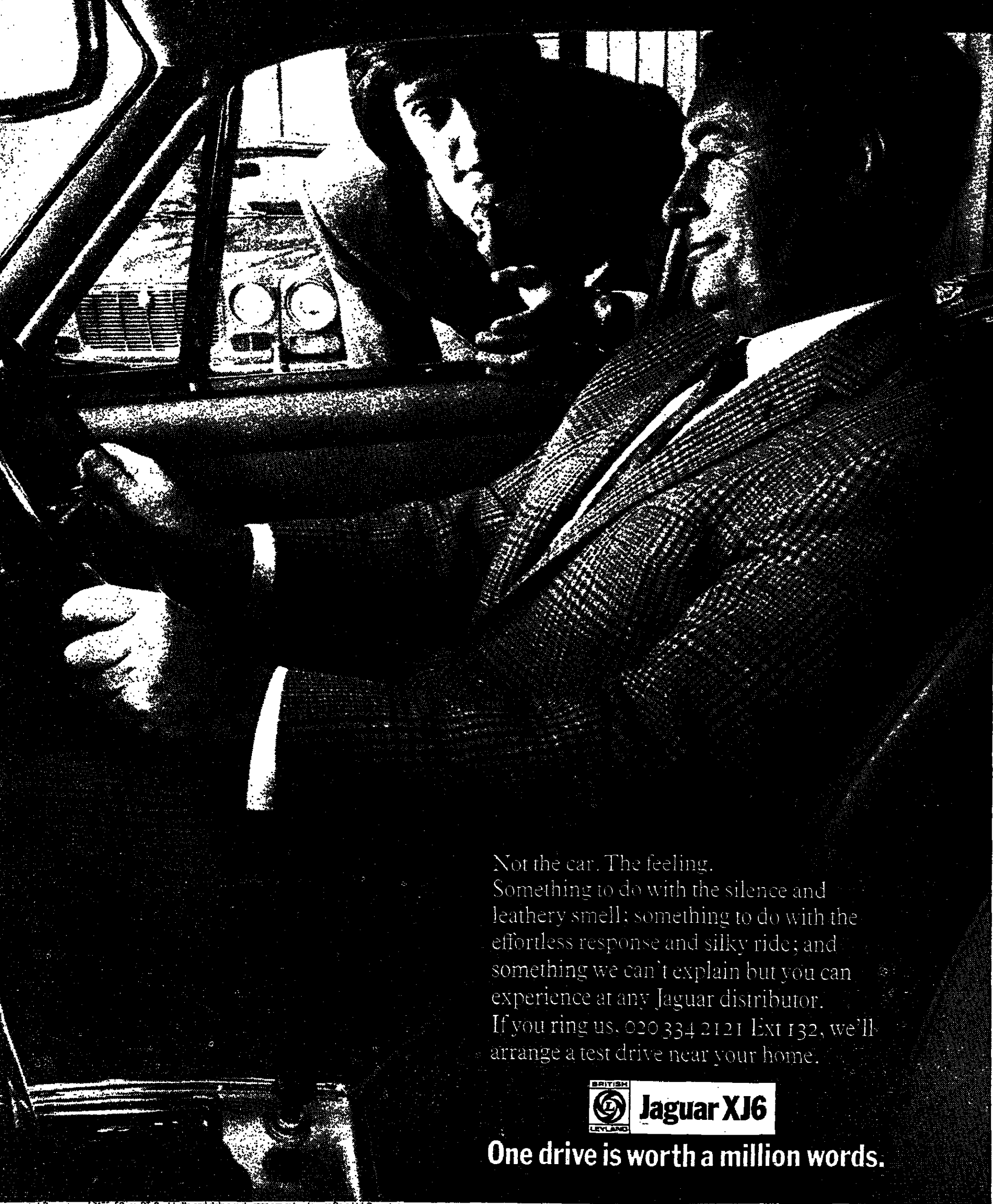
effect from 1st January, Mr. E. WILL BE a "considerable impact on British financial markets following the introduction of the new system of control, according to Mr. J. Sykes, chief cashier of the Bank of England.

During the first of this year's Institute of Bankers, he said that "the full impact of a new approach will emerge slowly and will not be felt until the policy is comparatively mature and the demand for credit is in a state of equilibrium."

Mr. Sykes, however, he identified immediate results of the new policy. "The banking system is in the only showing some looseness despite a prolonged period of tightness," he said. "In a straightjacket, there have been some changes in the short-term interest rate and both the money market and the gilt-edged market have adapted to the new arrangements."

In his lecture Mr. Page said the origins of the new policy of monetary control after 1964, through experience in recent years of the prevailing controls on bank lending.

It starts when you close the door.



Not the car. The feeling.
Something to do with the silence and leathery smell; something to do with the effortless response and silky ride; and something we can't explain but you can experience at any Jaguar distributor.
If you ring us, 020 334 2121 Ext 132, we'll arrange a test drive near your home.

Jaguar XJ6

One drive is worth a million words.

rough reappraisal Indices

HOME CONTRACTS perform 1m. Scottish school work

By Eric Short

THE FINANCIAL principal of Barlgate Holdings, a construction company, has been awarded a £1m. contract for the construction of Bowhouse School, Grangemouth. The contract should be completed by 1973.

William Boby and Co., a member of the Weir Group, is to supply the water treatment plant for the South of Scotland Electricity Board's new oil-fired station at Inverkip, Scotland, under a £600,000 contract from the Nuclear Power Group.

Acaral (1948) has been awarded a £63,500 order by Allied Breweries (U.K.) for the supply of four 2,500-barrel beer storage tanks. Acaral has also received a £75,000 order from Bass Charrington for plastic coating on the steelwork in the packaging building of the company's brewery at Runcorn, Cheshire.

Kirkstall Forge Engineering has won orders for axes worth over £300,000 from Coxes, Cranes, a member of the Steel Group.

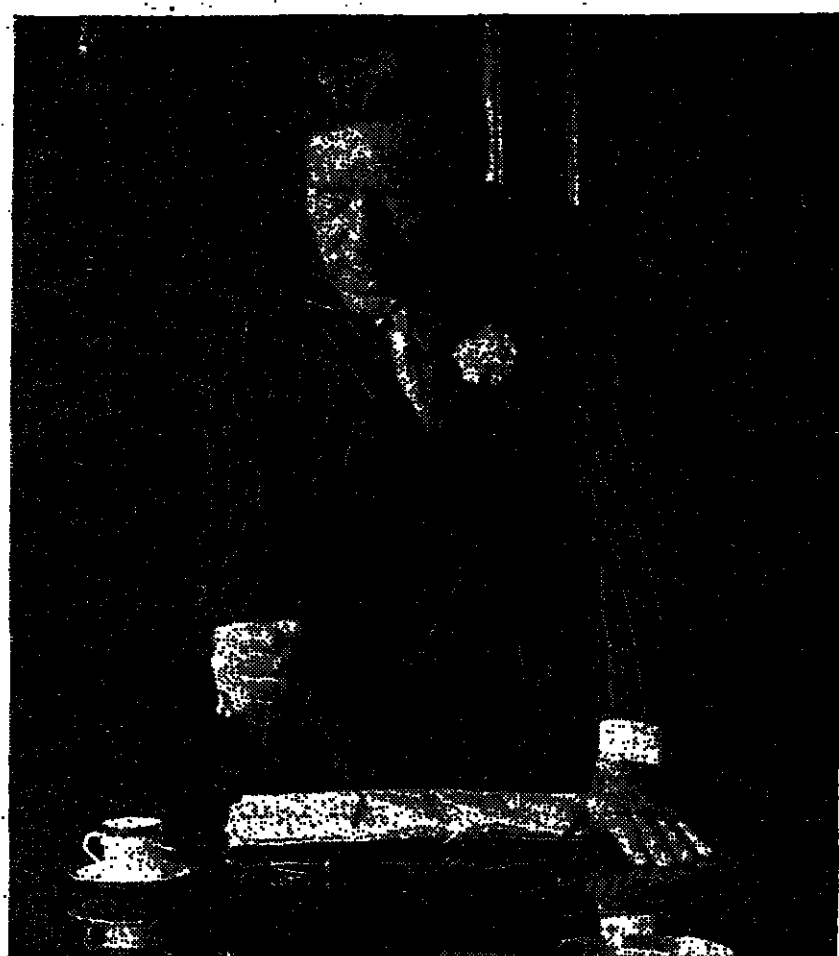
Events

To-day

PARLIAMENTARY BUSINESS—
House of Commons: Second Reading Bill, second reading.
House of Lords: Debate on the need for educational policies "which pay full regard to the requirements of social equality."
TAX REFORM (VAT & Corporation Tax), second and final day of conference organized by the Financial Times in association with the Institute for Fiscal Studies. The chairman is Professor Cedric Sandford of the University of Bath, and the speakers are: Mr. Patrick Jenkin, Financial Secretary to the Treasury; Professor Nicholas Kaldor, of Cambridge University; Mr. J. van Hoern, director, International Bureau of Fiscal Documentation; Mr. John Chown, taxman correspondent of the Financial Times; and Mr. B. T. Eason, head of group taxation and corporate structure, Shell International Petroleum, Europa Hotel, W., 9.30 a.m.
COMPANY MEETINGS
ACHAM TEA, 21, Finchchurch Street, E.C. 2, 12. (Chairman, Mr. M. S. Watson.)
ANGLO-THAI CORP., 6, Grosvenor Street, E.C. 4, 3.30. (Chairman, Sir Denis Laver.)
ASTRA SECURITIES, Edgware, 3. (Chairman, Mr. D. G. Dukes.)
BORNIAT TEA, 21, Finchchurch Street, E.C. 2, 12. (Chairman, Mr. M. S. Watson.)
FORRELLS, Cafe Royal, Regent Street, W., 12. (Chairman, Mr. O. C. Surich.)
HELICAL BAR, 29, Aldermanbury, E.C. 4, 12. (Chairman, Mr. J. D. Spooner.)
KITTOW PORTLAND CEMENT, Sheffield, 11.30. (Chairman, Mr. A. Carr.)
PANAWAYTE TEA & RUBBER ESTATES, 27, Queen Street, E.C. 4, 11. (Chairman, Mr. M. D. C. Watson.)

Partagas
Partagas cigars the connoisseur's choice. Carefully hand-made cigars with a distinctive aroma that pleases you and delights your friends.
Smoke a real Havana cigar
PARTAGAS

The Fast-rising Cityhawk.



Natural Habitat:
big business—often perched in high places

Responds most to:
the call of The Daily Telegraph—
as do nearly a half of the species

HERE'S THE LATEST information on the Fast-rising Cityhawk—better known as the Marplan Businessman.*

The Daily Telegraph reaches 46% of all businessmen

Financial Times reaches 43% of all businessmen

The Times reaches 25% of all businessmen

Of all the national dailies The Daily Telegraph leads with its coverage of businessmen.

It's strong in its coverage of businessmen of all ages, too, leading with the under 35s, the 35-44

group and with the over 54s. Another plus for The Daily Telegraph is that it has the highest proportion of businessmen who claim to read it thoroughly—53%, as opposed to 26% with The Times and 22% with the Financial Times.

No matter what level of businessmen you want to contact—from junior manager to chief executive—The Daily Telegraph is your answer.

So before you place your industrial or institutional advertising remember that bird in the hand. It's worth more.

The Daily Telegraph

*The Economist/Marplan Businessman Survey, 1971.



Creative presentations
for new business—I say yes
—Jerry Della Femina, Managing Director, InterAd

A firm yes. Because creativity is by far the most important factor in an advertiser's choice of agency. And although he may be very interested in what the agency has produced for other clients, he'll be twice as interested in what it's capable of producing for him. So after we have shown him the one, we'll offer to prepare the other—preceded by a brief from him, and a host of pertinent questions and analysis and sifting of essentials by us.

Agencies which shy away from creative presentations for new business, argue that the work they have done for other clients should be

sufficient evidence of what they will do for a prospect. Not so. Because some of the work an agency has done for other clients, and which it will proudly show to a prospect, may have been done by people who are no longer at that agency.

Staff changes are a major reason why so many agencies do brilliant work on some accounts and inferior work on others.

We have top creative people whose previous work is the pride of the agencies they left to come to us.

But that's not surprising. Because InterAd started with a specially commissioned independent research survey to find out, in order of importance, what advertisers really wanted from their agency.

Then to provide the right answers, InterAd merged its three-agency group into one dynamic unit staffed as advertisers would have it staffed.

That's why InterAd is ready to compete—with confidence—with any other agency for any advertiser's account.

InterAd Limited
The agency advertisers want

Clifford's Palace Lane, London EC4A 3EA Tel: 01 342 8344
Tel: 01 342 8344

Advertising and...

Marketing notes

BY ANTONY THORNCROFT

WHY TESCO DID NOT JOIN JWT

So the Tesco account is going to stay with Brunings after all—at least until the summer. It is really a case of horses for courses. It might have seemed impressive moving the £750,000 worth of business to J. Walter Thompson but Tesco is a difficult advertiser to service. As Daisy Hyams says, "in any one week we could place 50 or 100 small ads." Brunings, with its provincial network of offices and large department experienced in the lore of the account, had at the final analysis advantages which JWT would have had to develop over time.

But the intricacies of the Tesco business is only one factor. It seems likely that the deal has been shelved because JWT was not prepared to operate on terms with one client that were not common to all its clients. So Tesco, used to seeing its importance as a big buyer reflected in a nice discount, seems to have run up against the agency convention of a 17.65 per cent commission. However both parties are maintaining contact, presumably wondering whether they need each other enough to pay the standard price for agency work.

Some better news for JWT. It has been selected to handle the advertising for the Joint Credit Card, the Lloyds, Midland and National Westminster competitor to the Barclay card. The card will be launched late '72 or early '73 and the budget is likely to be as high as £750,000 a year.

One other event from JWT. Its merchandising unit is testing "Shelf Merchandising" which aims to take away from manufacturers' reps the task of stocking supermarket shelves. JWT supplies training women who work for client manufacturers and check facings and stocks and mark prices as well as fill the shelves.

"WONDERFUL" MAN IN TOWN

THERE is nothing more likely to irritate British creative advertising people than a fast talking American iconoclast who also happens to head a successful agency. If you add the fact that he has written a very profitable and indiscreet book on the subject you can almost hear his London competitors popping with frustration. But Jerry Della Femina came through a dinner of the Creative Circle this week relatively unscathed. Perhaps the fact he had flu won him some sympathy.

Della Femina is the man who wrote "From Those Wonderful Folks Who Gave You Pearl Harbour," which took all the glamour from advertising. He has also built up an agency to a



JERRY DELLA FEMINA

\$30m. billing in four years and is currently the top target for the snipers of Madison Avenue. Della Femina has some strong views on advertising and does not mind shouting about them. He thinks any agency which makes presentations to prospective clients is mad: keep your good ideas for when you get paid. He allows his staff of over 70 to come and go as they please and he pays the highest salaries in New York. He holds a daily conference with rock music blaring in the background where the lowest typist can make her complaints.

It is all heady stuff and probably cannot last for ever. At the moment, however, the clients which include R. J. Reynolds Tobacco, Cinzano, Blue Nun, Beck Beer and Westloz seem satisfied with the results. Will he be setting up office in London? "No, I know nothing about the way of life over here. I am having enough trouble with my office in California."

He also sees himself as belonging to a dying profession. "Creativity is a dirty word now in the U.S. and the Government is gunning for advertising. Forty per cent of the people in the industry in 1969 are out of a job. The politicians used advertising to get elected and now stab us in the back." So Della Femina would never handle a political campaign.

One American agency which is consolidating its links in the U.K. is de Garmo which bills some \$14m. Chairman John de Garmo and executive vice-president Bob Berman were in town this week having talks with Aalders Marchant Weinreich which will bill £800,000 this year. They have been associated for two years but are now working towards a more formal



Sir John Hamilton in the gardens of the new Institute.

agreement—possibly a share exchange. While de Garmo is essentially a New York agency as John de Garmo says there is no reason why it should not be international too. Looking ahead he sees that both agencies will be able to introduce clients to new business prospects as well as new markets. AMW clients include Bass Charrington Vintners' new products, Pust & Mes and Fernet Branca, Burroughs Computers, Mary Quant and some (unnamed as yet) tobacco business. The de Garmo list includes Marola, Thomas English Muffins—they do well in Florida—Pitney Bowes and Arnold Palmer golf equipment.

THE ADMIRAL CHANGES COURSE

IT HAS taken some time for the Institute of Marketing to get over the fact that it was once the Institute of Sales Management. When marketing became a fashionable, if meaningless, OK word a decade ago the Institute was rather powerless while energetic specialist bodies of market researchers and copywriters marketing their own competitive associations. Now all that is changing.

The Institute is currently moving out of its cramped London premises into a rather grand mansion at Cookham. Not only is this a good financial move (the cost of £100,000 will be more than covered by selling off the old premises) it also enhances the status of the Institute. In its eight acres of land it is planning to construct three new residential and lecture blocks (replacing those left behind by the previous owners, ICL) and hopefully these could provide residential courses in marketing which will rival, or eventually excel, those supplied by the business schools and university marketing departments.

Certainly the director general of the Institute, Sir John Hamilton, is striving to make it the voice and forcing ground of marketing in this country. His model is INSEAD in France. In the past the Institute has been providing non-residential short courses for relatively low level marketing executives. This year the Institute organised its most ambitious course to date—three weeks at Durham University

under the tuition of the Stanford marketing faculty. The participants were up to marketing director level, and the exercise broke even.

The Institute of Marketing is also attempting to assert itself as a professional body in the area of basic training. There are over 14,000 students registered as taking its diploma but the situation where the Institute both sets, organises and awards the qualification is a bit dubious. Sir John is considering making the diploma a two pronged affair with part one ensuring membership to the Institute while part two is comparable to a degree in marketing. He would also like universities and technical colleges to take over the administration of the examination. If his reforms go through companies should start to insist on the qualification when recruiting marketing personnel. There is, of course, the problem that the older members joined the Institute in less academic times and their position can hardly be jeopardised by insisting on a diploma from everyone. But Sir John is hopeful that the diploma will become "the nationally recognised marketing qualification."

There has been one other innovation which is superficially less important but which in the endemic infighting which has characterised the marketing world in recent years is really quite significant. The CBI formed this year a Marketing Committee and Sir John Hamilton not only represents his own Institute but all the other marketing bodies. Taken with its absorption of the National Marketing Council last year, this puts the Institute on the management top table and means that Sir John can communicate directly with the most significant figures in industry. One of the first moves of the CBI Committee has been to set up a Marketing Information Centre and the Institute will administer this.

There has been another important step: industry study groups. Two, for construction and travel, are already functioning and as the Industrial Training Board wants to influence these bodies could start to play an important educational role. For the best way of improving marketing methods is not vague lectures by self-appointed experts, but through companies learning about successful marketing innovations from their competitors. A small construction company will listen to the

advice and case studies of Bovis or a Pilkington, both of whom are supporting the construction study group.

Professional bodies have a tough existence. It is difficult to attract good executive staff and do persuade their members that they are useful to them. One major Institute recently cancelled its 10,000 members about the forthcoming annual conference and received only one acceptance.

Questel makes it easier

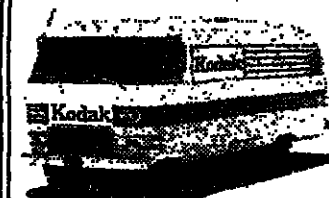
MARKETING and computer have never really got on well together. The companies that experimented with marketing models discovered that they could not encompass all the data needed for making sales decisions, and the computer impact in the media department of advertising agencies has not been as great as might have been anticipated. But this does not mean that all modern technology should be ignored. Computer may not solve problems but it can make solutions easier to come by.

Take Questel, for example, a computer system with wide applications. Basically Questel is a computer programme which communicates not only in words but also in pictures. It was developed at Essex University as a means of "talking" to the mentally incapacitated but it is just as good at interviewing housewives or any other target group. It is, in fact, a more effective market research questionnaire.

Anyone hiring the equipment can interview a group of people quickly, attractively, and precisely.

It is rather costly for samples (less than 200), but if you were interviewing 50 respondents in the London area the costs would be: installing £25; equipment rental (terminal, teletype, modem) £148 a month; computer connect time for five hours a day, 20 days a month £325; questionnaire around £150; tabulations, around £50; GPO charges £12. So for £710 or £180 a respondent you could question 40 people on a 50 frame questionnaire which takes 15 minutes to complete.

Money Machine



How major companies get where they are today.

Companies like Kodak, 3M and Honeywell are using Motor-homes to go right where the business is.

This 25-foot vehicle is a special version of the DODGE MOTOR-HOME @—equipped as a sales office, showroom or laboratory, for instance. Send for full story today.

Manager, Commercial Sales, Motorhome Sales Int'l., Ardale House, High St., Egham, Surrey, England.

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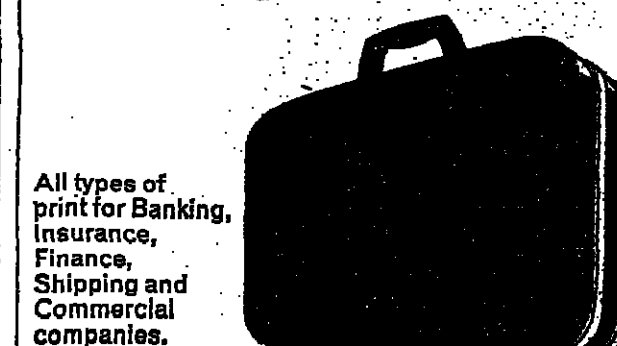
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"I can't believe you are so old-fashioned...still doing your own warehousing? We gave ours to Butlers."

just call Vernon East Marketing Manager Butlers Distribution 01-578 5784 or Telex 935507

Butlers Distribution

BKT
for the best in print



All types of print for Banking, Insurance, Finance, Shipping and Commercial companies.

BROWN KNIGHT & TRUSCOTT LTD.
Printers & Publishers
11-12 Bury Street, St. Mary Axe, London, EC3A 8AP. Tel: 01-526 5477.

هكذا من الأصل

Sainsbury fights coupons alone

NS campaign to sell space

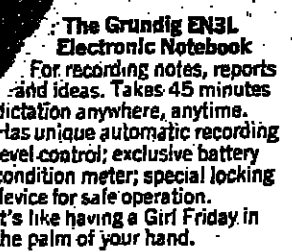
the first time in three years. The Newspaper Society is offering regional and local Press a campaign to promote revenue. There are 12 ads. in the series suitable for display or classified columns—all aimed at retailers. The theme is "providing papers your profit makers." The idea is that the 12 should be used consecutively between January and March and a number of newspapers have taken up the offer.

SITUATIONS WANTED

GIRL FRIDAY

WILLING TO LIVE IN

Sleek and attractive with crystal clear speaking voice. Excellent dictation speeds in French, German, Spanish and Urdu. Marvellous memory. Special qualifications in nuclear research and pawnbroking. Thrives on hard work, long hours and overtime. Will travel anywhere, anytime. Guaranteed loyal service. Very accommodating. Anything legal considered. All correspondence to your local office equipment supplier.



Three tell how to start an agency

Not naturally entrepreneurs

French-French! Gold Abbott is one year and a bit old and his billings are stated to be "at the rate of over £1m."—apart from just having been through his 30th birthday was "different again." His question to himself was "What would you get from being on the Board of your agency?" Because they were young they had "time to get it wrong." It was a bit like walking the plank, once you had gone so far you couldn't go back.

"If you were all frustrated as senior executives and had no part of the equity have you any suggestions for those who feel the same frustration in the City?"

"Yes." To this, Kirkwood

agency that was (a) very strongly marketing based (b) highly creative (c) skilled in public and advertising relations. "I know the next stage was to "create the product" part of which was hiring the people. He wanted a system where there would be a small number of experienced people acting for a limited number of clients. With this "molecular" system he would be able to "keep such units "spinning off," thus retaining all that is good in a small agency but backed by big resources." In five years time we would want to be at £5m. And the growth could come with "the present list of clients."

Value of newness

The value of newness in attracting business was the next question to be asked—along with would you accept any kind of business, was there any that was not wanted, were there sacrifices of standards in order to keep clients, what were the advantages of it to clients? According to French, newness brought all sorts of problems and petty offers. His agency had turned down an account when there was none in the house, as clients were not carried as a crutch. Sheer newness was an advantage that was counterbalanced by having to explain the financial set-up.

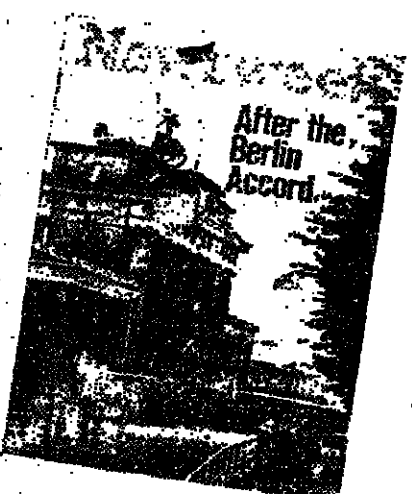
Kirkwood found sheer newness important in "phoning whoever

Avalon goes to Saatchi

AVALON, the fast-growing mail order company, is moving its account from Vernons to Saatchi and Saatchi. Avalon has doubled its advertising expenditure every year since it started in 1969 and Saatchi and Saatchi expects that the 1971 figure of £400,000 could rise to nearer £1m next year. Saatchi and Saatchi are already billing as it starts its second year of £2m.

Avalon has always distinguished its advertising from its less spending competitors like Debenhams of Holland. It buys large quantities of advertising space in women's magazines and the *TV* and *Radio Times*, and concentrates on single products rather than advertising a mass of goods on one page. One more innovation can be expected next year: half the budget will be spent on television, with tests in London and Granada in January. This will be the first time that a mail order house has advertised heavily on television.

Saatchi and Saatchi will also handle the advertising in France and Germany. Originally the company was looking for an international agency but has now decided that the overseas operation can be served through London.



The mind expander

We're read every week by bankers in Brussels, by manufacturers in Milan, by government leaders in London and Tokyo . . . by executives and decision-makers worldwide who have a need to know."

Our readers up to date on the latest business news, on corporate mergers and money matters, on political and financial trends, on international developments in every corner of the globe. We observe and comment on cultural affairs, on scientific developments, on people and personalities, on the complete spectrum of human interest and human activity.

We're the Mind Expander - Newsweek International - with 24 editions distributed weekly around the world.

Newsweek International:
essential reading for the best-informed minds
worldwide.

October revolution at sweet shops

Since October 1, Davey has been every major supplier to discuss terms and new promotional strategies, based on those successfully developed by voluntary grocery groups, under which the retailer uses his buying power to plan long-term promotional calendars and invites manufacturers to come in and pay their whack.

"Some traditionally minded tobacco manufacturers," says Davey, "listened aghast, but most already knew something

was happening at LM, and agreed to play ball. It makes sense, after all, if suppliers are spending a lot of promotional money, that they should do it in conjunction with major retailers, make pot luck and hope the retailers are going to be interested in their schemes."

Programme

Now a programme has been planned based on 12 major promotions up to next September, with leading interested suppliers and retailers in the country. Existing promotional plans have been overhauled to give a more aggressive slant to sales, which are already climbing the style and colour end of the fashion ladder. The new programme has been standardised and livened up for more effect.

Excessive stock levels have been radically overhauled to release tied-up capital. The marketing and buying department has been reorganised on retail brand management lines—with buyers being given marketing responsibility for their brands “and so that suppliers can see our determination to reckon the first signs are on the way.”

● Wabasso, of Montreal, has appointed Dennis and Garland to work on the U.K. part of its European marketing programme for sheets and pillow cases. DG will work with the Canadian agency Ronalds-Reynolds with which it has a link.

Conceptual solution

Could an agency open without a creative department, for example, just buying in the open (freelance) market? Not practical said French. Practical and possible said Kirkwood. There was room for an agency simply to exist as a buyer of creative services, he said. The theory although it might be too soon. But the agency must provide the conceptual solution to the problem. Boase had a vision of an agency opening without anything, including creative. The creative part was integral to an agency and away clients expected it. And freelance fees were so enormous they could break an agency.

In London or out? Boase had been opened with premises at some 27½ a square foot. The move to Faddenbury had meant paying 30 a square foot for the new premises, and 100 people (the present staff was 41) so at the moment his overheads were high. At the same moment in Kirkwood's research he had been offered space in Upper Berkeley Street—"I thought I was to be just opposite the station after Thomas had said that he had been lucky enough to get someone more in the same building. But it had been 'the biggest, the original problem.'"

French's practical 600 square feet in Soho had cost £1.90p a square foot and he had since taken more in the same building. His future location would be dictated by price.

Finally, what was the most important thing to think about when starting up? French: "Get the people right. Don't do it in August. And get the offices before you get the accounts." Kirkwood: "Be sure you want to. Don't rush. Work out a clear plan." Boase: "Add up the billings of possible clients. Cut them by 75 per cent. You will then still be wrong. But it is not that difficult nor is it all that hard work."



**Richard French, Ronnie Kirkwood and Martin Boase giving
their company life stories.**

Put your money
where her mouth is.



Just when she's about to buy a product or obtain a service... a product or service such as your company provides... she looks up the appropriate classification in Yellow Pages -- to find out where she can get what she wants locally... And what does she see? An alphabetical list of suppliers and display advertisements for some of them.

Now comes the crunch. On average, telephone subscribers

are 5 times more likely to refer to a display advertisement than to a free line entry. And remember, three out of four references are followed up by contact! (Source: Marplan, February 1971.)

What you should do: make sure it's your product the public chases. Take display advertisements for your product in Yellow Pages, listing local stockists or branches.

And then the information will be there, right by her phone ... at the very moment she's

about to purchase... perhaps the very last thing she sees before she lifts the phone and speaks...

Find out more. Phone your nearest Yellow Pages Sales Office:

London: 01-405 8515
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THURSDAY NOVEMBER 11 1971

Community interest

THE GOVERNMENT can fairly claim that it is making some progress in its efforts to control inflation, not only on the price front — the wholesale price index published yesterday is extremely encouraging — but on the wages front as well. Even though the going rate for wage settlements seems to have been brought down below 10 per cent, however, another round of claims is just getting underway and it is of crucial importance to ensure that the average level of settlements is brought down still further, despite the fact that retail prices are nearly 10 per cent higher than they were a year ago.

It was for this reason, no doubt, that the Chancellor of the Exchequer went out of his way in Tuesday's debate on unemployment to make two points. First, he said, the Government would stand firm on reasonable pay offers where its own employees were concerned and would not be intimidated by threats of industrial action. Second, the Government had a duty to ask everyone concerned in this matter — not only employers and unions but arbitrators, wages councils and independent reviewers — to consider the interest of the whole community in curbing inflation and ensure that it was reflected in a much more moderate level of settlements.

Bad precedent

This request to arbitrators to take the national interest into account is not itself an innovation, even for a Conservative government: the Wilberforce Committee which looked into the electricity dispute earlier this year, for example, was required to do so. But Mr. Barber may well have had in mind the case of the local authority manual workers who started off last year's wage round with a substantial increase, awarded them by an independent committee on the grounds that it was not practical to fight inflation by holding back in particular instances. The Government does not intend this precedent, which would subvert its whole approach to the problem of

Threshold

It remains to be seen whether this year's local authority pay claim — which is important not only because it comes at the beginning of the season but because it influences the size of several other settlements — can be settled without an industrial dispute and resort to arbitration. An interesting feature of it is that the union has asked for a threshold agreement, under which pay rises would be determined automatically by a pre-determined amount as soon as the cost of living had risen to a given extent. The employers have rejected this demand on the grounds that the particular claim made is excessive and that they cannot consider their manual workers in isolation: this fits in with Mr. Barber's suggestion that employers should pay regard not only to basic increases in pay but to all payments and improvements in conditions of service which add to labour costs.

But the Government will have to make up its mind soon where it stands on the question of threshold agreements in general. At the moment, presumably for the sake of improving relations with the TUC in the National Economic Development Council, both the Government and the CBI seem to be expressing more enthusiasm about the idea than they really feel. The TUC is taking advantage of this situation to spread the new gospel among union leaders. If not the local authority workers, then some other group will sooner or later face Mr. Barber with a test case.

M. Schumann in London

THE LAST time a French Foreign Minister paid an official visit to this country was in the summer of 1966, when Maurice Couve de Murville came with Georges Pompidou, who was then French Prime Minister. It was not a happy period in Anglo-French relations. The two countries were set apart by their differences over Britain's application to join the European Community, over the principle of military integration in the Atlantic Alliance and the French withdrawal from NATO, and over the role of the reserve currencies and the reform of the international monetary system.

New era

Since then, however, the situation has changed almost out of all recognition. France has endorsed the principle of British membership of the Community, and the British Government has secured a large majority in favour of the terms. The fundamental shift in the British attitude to the reserve currency system has been reinforced by the international monetary crisis, and while the abrasive anti-Americanism of General de Gaulle has been softened under President Pompidou, both Britain and France are now being urged to reappraise the relationship between Europe and the U.S.

What is beyond doubt is the importance which both sides attach to the visit. Reports from Paris anticipate the publication of an important communiqué after M. Schumann's talks with Mr. Heath, Sir Alec Douglas-Home and Mr. Rippon; what is more important is the underlying assumption that Paris and London both give high priority to the re-establishment of good relations and to constructive discussion of problems of common interest.

There is certainly no lack of subjects to discuss, and a number of disagreements which still remain to be resolved. If Britain and France have tended to take the

Entente

There will no doubt be some, in London as well as in Paris, who hope that M. Schumann's visit will mark the beginning of a new *entente cordiale* which can be set against the growing political and economic strength of West Germany. Such an aspiration would be entirely inappropriate. As former great powers, Britain and France occupy a special place in Europe; but the Europe of tomorrow is the Europe of the enlarged Community, and both Britain and France must learn to speak with a European voice.

Dr. Arthur Burns, chairman of the Fed, is due to arrive in New York this morning on a morale-boosting visit to Wall Street. Here, in the second of two articles, M. H. Fisher, who has just returned from the U.S., discusses the cause of the doubt and uncertainties which are at present to be found in American business and economic circles

The current mood of America

NO LESS an authority than the President himself has declared repeatedly that 1972 will be a "very good year" for the U.S. economy. Indeed, if one believes that everything will go in accordance with the Administration's "game plan" it is hard to quarrel with that assessment. In broad terms the official forecast is that gross national product will next year grow by no less than \$100,000m. This represents a 9 per cent increase, of which 6 per cent would be real growth and the remainder accounted for by a 3 per cent increase in prices. Unemployment, on that basis, would come down to somewhere between 5 and 5.5 per cent, and still be on a downward trend come election time — an all-important political consideration.

Hoped-for prosperity

The President would be able to go to the voters and claim that he has set the economy on a non-inflationary growth path, that he has solved the balance of payments problem and has helped restore American competitiveness (one way or another) — in short, that after a struggle and a number of false starts he had finally succeeded in ushering in a new era of rapidly rising prosperity.

Admittedly this is by no means the first of the economic "game plans" produced by this Administration and all the previous ones have come badly unstuck. Yet if one applies any of the traditional economic yardsticks, this time round there should be a good chance that in 1972 at least something close to the forecast will emerge on the fronts where it matters — output, employment and prices.

And yet, even in Washington it is not hard to find doubters. In New York the predominant sentiment is one of profound uncertainty (in some instances downright gloom) about the prospects; many industrialists are anything but bullish about the outlook. And the behaviour of Wall Street, which by now should be discounting a better future, can hardly be described as an encouraging sign.

The official forecast rests on the proposition that the consumer will spend a lot more, that Government expenditure will rise, that there will be some small additional stimulus from the external side and that in due course, though not till the latter part of the year, capital spending by industry will pick up. A combination of spare capacity and the incomes policy will take care of inflation. And anyone who wishes to persuade himself that all will turn out

for the best can in fact point to some bits of evidence to support his faith. Consumer spending has picked up, even though it has been heavily concentrated on cars and housing. (October brought the best-ever car sales figures for a single month, and while the demand for new houses will probably not increase much being taken seriously because they affect the behaviour of consumers, industrialists and investors.

First and foremost one must cite the inept handling of Phase Two of the incomes policy. It created the maximum of uncertainty, both as regards the actual targets for prices and wages and the means by which these are to be made to stick. Even more basic though is the fact that suddenly standing one's head is not a very convincing posture.

Perhaps the best illustration of the nature of the doubts is a question now going the rounds in Washington. "We now have a 'New Economic Policy' Lenin, of course, tried an NEP too. What we want to know is who are going to be the kulaks in the U.S.?" The formulation betrays a lack of knowledge of Russian history but expresses what people want to know. Who is going to foot the bill in this far-reaching reversal of everything not merely this Administration but the whole American way of life has stood for.

There is more involved here than the feeling that any administration controlling wages and prices will always tend to be tougher on the latter front. The feeling of shock at the first-ever introduction of such Government controls in peacetime apart, people inevitably want to know whether they now face ever-increasing Government intervention in the economy and, second, whether this will not prove as stultifying as the Administration always maintained it would — until August 15, that is.

It is true that in introducing an incomes policy the President

Why, then, all the gloom and uncertainty? Granted that Administration forecasts are a devalued currency these days, granted a disappointing third quarter, I met no-one who did not believe that there would be growth next year. And if the Administration's targets looked like being missed by a wide margin, it was accepted that

Devalued forecasts

magazine. Then to rub the point in, the phrase is repeated in 12 foreign languages, including German. The German reads: "Wenn Sie internationaler wachen wollen sehen Sie mit Hambros." My German friends would love to "rechen" with Hambros, but are baffled to know what they are meant to do. It is, of course, the German for "rake." But Hambros surely did not mean, "If you want to rake with Hambros," nationally, rake with Hambros. Maybe, if you want to talk internationally, it is safer to talk to Hambros in English.

W. Osborne, of Broward Artificial Reef Inc., who says that "within months, a reef made of old tyres can turn a barren sandy bottom, almost devoid of marine life, into a fisherman's paradise."

Osborne started constructing new reefs off the resort city of Fort Lauderdale, Florida, using the bulk of a ship and pre-formed concrete modules as a base. These he found "satisfactory, but expensive." Then along came Goodyear, with an offer of a custom-made tyre compacting machine, compressing 20 tyres at a time into compact bundles. Mr. Russell DeYoung, Goodyear's chairman, says this is "one practical way to dispose of some of the millions of tyres that are worn out and thrown away every year."

Ending the IFI/ICFC confusion

The changing face of Dawney Day. Yesterday, the parent company, Industrial Finance and Investment, bowed to the inevitable and adopted the name of its most thriving subsidiary, the Dawney Day merchant bank. Secondly, the Dawney Day Group, as it is now called, acquires for the first time a deputy chairman, Mr. Peter Parker, in recognition of the fact that the chairman, Mr. David Finnie, though as active as ever, cannot at 75 continue in office for ever.

The abandonment of the old IFI name gets rid of the confusion that has always existed in the City between IFI and the Industrial and Commercial Finance Corporation — a confusion that was even worse when IFI was called the "Industrial Finance and Investment Corporation."

not merely gave in to Dr. Woods system, it did make possible an unexampled increase in trade and prosperity throughout the industrialised world. Confidence in New York, in particular, will not be easily restored as long as current international tensions last. The degree of confidence, or its absence, in New York matters — however this may dis-

that case what further controls may be imposed in order to contain the inflationary effects. Sometimes the outside matters himself, however unjustly, that he sees more of the game. But at this particular point it is not easy to be sanguine about one's ability as a prophet. Three broad questions are begging for answers.

The first is, quite simply, whether in terms of economic demand management the U.S. Administration has now got it right. The majority of economists would agree on a theoretical basis that at any rate Government policies are pointing in the right direction, and that any errors in assessment are small enough to be corrected without too much trouble. But both in the U.S. and here we have recently experienced responses to economic measures and time-lags which cannot easily be explained in conventional terms. It was noticeable that one business economist who took a bullish line admitted that most of his industrial clients did not share his optimism.

Secondly, there is the question whether an international settlement can be reached without the spilling of too much blood. If indeed one can be reached at all? Certainly Wall Street would be a happier place if a speedy solution is found.

Finally, the working of the free enterprise system and its chances of surviving the current imposition of controls are matters for serious debate.

Talking to the technicians of Wall Street one can, of course, find any number of explanations for the Market's recent relapse. Uncertainty about the implications of the NEP and the international outlook are key factors. Other important influences have been the sad experience of the mutual funds — faced, in recent months, with net redemptions — the counter-attraction of high bond yields, and the individual's disillusionment with the performance of institutional investors in recent years.

There has been a sharp increase in equity offerings in recent years (from an annual average of less than \$1,000m. in the early years of the 1960s to some \$9,000m. this year). There is doubt about the course of interest rates. Short-term rates may decline a little further, but should pick up next year as the demand for credit grows in a reviving economy. What happens at the longer end depends on the extent of inflationary expectations. But will the market for money remain free? Will the Federal Reserve, as Dr. Burns certainly wants, be able to fight off the demands for controls on interest rates if there were to be a pronounced rise? Or will he pump in enough money to prevent rates from going up sharply, and in

precisely the same question is being asked on the international side by all those conscious of its importance. Whatever the line of the tough men in the Administration, the New York business community does not believe that it is possible to have a prosperous U.S. in a recessionary world. No one thinks a world debacle on the scale of the 1930s is probable, but there is general agreement that the odds against a catastrophe have shortened.

There is concern that world trade will shrink if there is no rapid international settlement; that protectionism will grow world-wide, and that the big multi-national corporations will suffer. Whatever one may say about the failings of the Bretton

may Americans of populist leanings — because it affects Wall Street. The behaviour of the latter inevitably conditions the willingness of a large section of the population to spend and of industry to invest. No corporate treasurer feels happy about large capital expenditure plans when the price of the stock is tumbling.

Confidence and profits

Thus, even though consumer confidence should revive as unemployment comes down and even though higher profits and better capacity utilisation should in due course make industry spend more on new plant, there remains the doubt whether the economic rules have not changed once and for all, whether Americans are not in a brand new ball game.

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On Sunday Sir Alec Douglas-Home leaves for negotiations with the Smith government. Bridget Bloom, on her way to Salisbury, discusses the financial and economic background to the talks

The two-way cost of a settlement

YEARS ago today the black and white flag of Rhodesia was raised in the centre of Salisbury. Mr. Smith predicted his UDI would be a nine-week, not months.

But the flag is still flying. Rhodesia is still illegally independent, and still unrecognized in the world. Britain and Rhodesia are still searching for a settlement and Sir Alec Douglas-Home, who bequeathed the Five Principles to Mr. Smith, will be flying to Salisbury on Sunday to try yet again.

Mr. Smith's departure of yet another day has not raised the demand for a settlement. The Rhodesian Cabinet Minister for Finance, Mr. Ian Smith, has said that a settlement is possible after all. But any agreement must involve more than the already admitted political obstacles. Sir Alec's principal obstacle is the economic and financial links between the two countries. Even if these can be broken, the economic and financial links between the two countries are still a major problem. The Rhodesian economy is still heavily dependent on the British market. The Rhodesian economy is still heavily dependent on the British market. The Rhodesian economy is still heavily dependent on the British market.

London market to sell its loan stock, while individual Rhodesians invested here. And since the ultimate authority for Rhodesia, then a self-governing colony, rested with Britain, Britain guaranteed its external loans from bodies such as the World Bank.

Political

These are only some of the economic links, if the most important. But all of them, in one way or another, were cut in the weeks following UDI as Britain imposed sanctions and Rhodesia took its own retaliatory action. Clearly, sorting out these severed ties and deciding how, or when, or in what degree to reopen them, presents problems of great technical complexity and—as will be seen—some fairly important political decisions.

Take the most simple case first. Long before UDI, Britain undertook to act as guarantor for a \$28m. loan to Rhodesia from the World Bank for power generation. Later, Rhodesia (together with Zambia, then Northern Rhodesia) borrowed \$80m. again from the World Bank and again with Britain as guarantor. Five loans in all were made in this way, for a total of \$140m., or roughly £60m.

Rhodesia, finding its reserves and other "assets" frozen in London after UDI, defaulted on the loan repayments. Britain was called in as guarantor and has since repaid, in interest and capital, some £12.5m. on Rhodesia's behalf. (This is according to U.K. figures; Rhodesia gives the amount as \$8.7m.) Whatever the exact sum, however, if there is a settlement it seems obvious that Britain will ask for repayment.

This case is relatively simple to analyse, partly because the British Government publishes figures—though even here there are discrepancies between the Rhodesian and British totals. As for Rhodesian Government stocks, the discrepancies are fairly easily explained.

Southern Rhodesia (and subsequently the government of the Federation of Rhodesia and Nyasaland) has, over the years, offered stocks worth some £88m. on the London market. With UDI, as many investors know only too well, the Rhodesian government defaulted and the stocks became dead funds. As of the end of last year, according to the Bank of England, there was a total of £43.5m. outstanding—£26.8m. on capital, £12.3m. in interest and £4.5m. on the sinking fund.

Rhodesia's figures differ—giving a total of £36.3m., which is broken down into £17.7m. on capital, £14.7m. on interest and £3.9m. on sinking funds. It seems likely that the difference is accounted for by repayments made by Rhodesia to non-British stockholders in currencies other than sterling.

But whatever the total, if recent trends are anything to go by, the market expects repayment if a settlement is reached. Southern Rhodesia bonds have this year recorded their highest prices since UDI, and currently stand roughly 10 points below the 1971 peaks.

Again, however, if a settlement is reached, political factors will intervene. Rhodesia will not want to jeopardise investor confidence by withholding payment. But to repay the sums due in full, and within a short space of time, would be seriously to undermine an already precarious balance of payments. Britain's negotiators, it would seem, will have to decide what is to be done.

These two onerous financial obligations would no doubt give Rhodesia's economic managers—and Britain's negotiators—pause for thought. But the task of calculating what is involved in reconnecting the broken Anglo-Rhodesian links becomes much more complex when one turns to a whole series of other former ties.

This is partly because of secrecy on both sides. In an effort to keep its head above water, Rhodesia has kept many vital statistics under wraps, while the Bank of England, for example, will not reveal the size of the Rhodesia reserves which were frozen on UDI on the grounds, according to a spokesman, that this would be "breaking confidence."

(Whatever the amount—and the figure is probably upwards of £9m.—Rhodesia will no doubt expect to be refunded.)

The loans, the stock, and Rhodesia's reserves are essentially Government-to-Government concerns. So, too, are some smaller loans—the £1.5m. or so to the Rhodesian Air Force, for example, or the minor matters of the Rhodesian High Commission here in the Strand and the British High Commission in Salisbury.

But what of the profits, dividends and other capital sums belonging to British companies in Rhodesia which Rhodesia has frozen and for which a satisfactory arrangement would have to be made? Here, the dearth of information makes even a guessimate of the total sums involved a dangerous exercise. We do know that in 1965 investment income payable to the U.K. and to Zambia (the two main countries to whom blocked funds are owed) totalled about £8m.

If we project this and allow for some growth we get a figure, over the years, of about £55m.-£60m. But even this is dangerous and misleading, because we do not know the amounts that have been reinvested. Many companies have obviously preferred to reinvest blocked funds rather than have them idle, while some, with subsidiaries in South Africa, have no doubt been able to take out funds through the "back door."

All that can be said in fact is that the sums frozen in Rhodesia must be fairly considerable, and that if there is a settlement, there will be pressure on the Rhodesian Government for the repatriation of dividends.

All in all, deciding how, when, and even whether, to reconnect the severed links must be an integral part and seems bound to prove a very complex element in the overall settlement. It is impossible, without all the figures, to do more than point to possible results. No one, for example, knows to what extent Anglo-Rhodesian trade will pick up again. Nor, as yet, can we tell what sort of package, if any, will be worked out to relieve Rhodesia of its stockpiled tobacco (sometimes estimated at 300m. lbs. or enough to keep Britain in tobacco for about 15 months), or how quickly Britain's cigarette makers, raving now found alternative supplies, will once again buy from Rhodesia.

But at least it is worth pondering the following proposition. There will be a charge for a successful settlement, and the bill will fall to both sides. However, on the evidence available, it would seem that Rhodesia's "bill" will be proportionately much higher, and much more of a burden on its economy, than Britain's.

No illusions

Rhodesians will look to Britain to pay part of it. No one can tell what the figure might be. But even if an honourable settlement is found, the political question raised is whether the British taxpayer should be called upon to pay for Mr. Smith's six years of UDI.

But all this, of course, is to count all sorts of chickens before they are hatched. It can be reliably said that the party of officials who will board the Foreign Secretary's RAF VC-10 on Sunday will be under no illusions about the prospects for a political settlement. Fundamental problems do exist, and they are essentially the same problems on which earlier attempts at settlement by successive Governments have foundered.

Sir Alec wants a settlement, not just because sanctions are increasingly mocked and disregarded, nor simply because of the pressure for a settlement from Tory backbenchers, but because he believes (with something akin to passion) that without a just Rhodesian settlement there can be no long-term stability in Southern Africa.

Sir Alec is committed to the Five Principles, but a simple acceptance of them by Mr. Smith is not enough. What is important is the speed of their implementation. Sir Alec might return with a settlement which would appear to show Rhodesian acceptance of the principles, but over a very long time-scale (and most observers consider this the maximum that the Smith Government will even begin to consider). But a settlement, to be "honourable," will have to be seen to provide genuine momentum towards African majority rule.

Any move towards this ultimate objective is bound to depend very heavily on educational and, above all, economic advance for Africans. Rhodesia will expect Britain to contribute substantial aid to this end. At this point again, therefore, financial considerations become inextricably involved with political ones—and must be counted part of a "settlement bill."



Harvesting the tobacco crop 30 miles from Salisbury.

Labour News

Engineers change rules to de-register

BY ALEX HENDRY, LABOUR REPORTER

Two weeks ago, the electricians and plumbers' conference voted to come off the register, but this was qualified by the general secretary, Mr. Frank Chapple, who said they would not be taking any steps to carry out the policy until they saw what other unions were doing, and he added it was "unlikely" they would make any move before the TGWU.

Between them the four unions, engineers, electricians, transport workers and general and municipal workers, represent more than 40 per cent of the TUC's total membership of just over 10m.

The engineers' conference also decided yesterday to increase their weekly subscriptions for adults from 20p to 25p. Other subscriptions are also increased, and the delegates were told this would bring in between £1.4m. and £1.7m. extra each year. The union has a current deficit of just over £1.2m. on unpaid dues.

Split funds

In order to protect their assets from "unlimited fines"—a possibility if they are taken to court for an unfair industrial practice under the Act—the conference decided to split its funds into two groups.

This will create protected and unprotected funds, and only the latter will be available to finance strikes. The executive will decide how much money will be put in the new strike fund.

Despite opposition from the executive, the conference decided by 27 votes to 25 to go ahead from next year with postal ballots in all union elections. The executive wanted to postpone introducing the new system because it is estimated it will cost about £200,000 a year.

The General and Municipal Workers' Union decided recently that it would not be taking a decision on whether to be re-registered until next year, and the transport and general workers' union will not be in a positive position of re-registering until its rules revision conference in January.

Decision in six months on small firms proposals outstanding

BY MICHAEL CASSELL

THE GOVERNMENT has given itself six months to consider those recommendations from the Bolton Committee of Inquiry into Small Firms on which it has not already pronounced.

When the Committee's report was published last week, three of its proposals, including the establishment of a small firms division in the Department of Trade and Industry, were accepted. At the same time, a suggestion that the industrial development certificate limit should be raised was rejected.

There remain, however, seven major recommendations which will now be considered in the next six months by Mr. Nicholas Ridley, Parliamentary Under-Secretary for Industry, who will control the DIT's small firms division.

Mr. Ridley said last night that he accepted the philosophy and general approach of the Bolton report which contained some "excellent ideas." While the major initial task was to consider the remaining proposals, the division would also be ensuring that, in future, no new areas of discrimination, developed against the small company.

Initially, the Minister is to have three advisers to help him in his work but the division's manpower is expected to increase as its work expands.

The possible establishment of a network of small business advisory bureaux to provide information and reference services will be high on the list of proposals to be considered.

Other areas due for examination before a final decision is taken include taxation, effects of the Restrictive Practices Act, the burden of form-filling, training programmes and the prospects for small businesses in the Common Market. All these points were raised in the Committee's report.

Mr. Ridley is planning a series of visits throughout the country to discuss the problems with small companies and trade associations. He said: "I intend to make as many contacts as possible in the small firms' world and to establish their thoughts on the Committee's findings. I also want to hear from organisations who believe that they suffer from discrimination as a result of their size."

From a longer-term point of view, the division is to set up a monitoring body which will keep in touch with day-to-day events in the small company sector and advise the Government on any effects it could expect from any proposed legislation.

Mr. Ridley added: "We plan to have dealt with all the remaining Bolton recommendations in six months and then we hope to turn our attention to the follow-up work which is bound to arise."

Irish Shipping seeks union guarantees on Govan contract

BY ANDREW HARGRAVE, SCOTTISH CORRESPONDENT

EXECUTIVES of the Irish Shipping Company will seek guarantees of co-operation from the trade unions on Friday on the completion of the four bulk carriers to be built at the Govan yard of Upper Clyde Shipbuilders, now in liquidation.

The executives, led by the chairman, Mr. P. H. Greer, will visit the yard, and have talks with Mr. Dan McGarvey, chairman of the shipbuilding section of the Confederation of Shipbuilding and Engineering Unions, local officials and shop stewards.

The Government has already agreed to guarantee the company against losses resulting from the non-completion of the ships, whose combined value is £13m.

The first of the ships is to be laid down shortly at the Govan yard to occupy the berth from which the Tacoma City, a similar bulk carrier for the Royal Smith group, was launched last Friday. The contract is still to be confirmed by Irish Shipping, and this must depend on guarantees obtained from the unions.

No talks on wages

At the same time, it is pointed out that no negotiations on wages and conditions can take place on Friday as this is Mr. John Davies, Secretary for within the scope of the Trade Unions and Govan Shipbuilders, in the Commons recently that the Government-backed company which is expected to take over the Govan and possibly the Scotstoun yards as well as the Linthouse steel fabrication unit when UCS is finally wound up.

UCS shop stewards have said repeatedly that "meaningful negotiations" on wages and conditions could only take place when the future of the Clydebank yard—which is outside Govan Shipbuilders' terms of reference—is assured.

The Irish Shipping vessels are to be started by the liquidator, Mr. Robert C. Smith, on the strength of certain guarantees received from the Government. Mr. John Davies, Secretary for within the scope of the Trade Unions and Govan Shipbuilders, in the Commons recently that the Government-backed company which is expected to take over the Govan and possibly the Scotstoun yards as well as the Linthouse steel fabrication unit when UCS is finally wound up.

Saleroom

Paintings realise £158,030

AT SOTHEBY'S yesterday a sale of Continental paintings, 1770-1900, and 20th-century British pictures realised £158,030. Piero Dini gave £8,500 for Young Fishermen Leaning over a Harbour Wall by Telemaco Signorini, and Williams and Son £2,400 for The Gossips by Eugene de Blaas, a record price for the artist. The Happy Family by Gaetano Chierici went to Haines, A. Garden Fete at the time of Louis XVI by Giuseppe de Nittis to Pivall, and An Italian Mounted Patrol Hiding in a Copse by Giovanni Fattori to Mrs. Sala, each for £2,000. A Calm at Sunset by Hermann Koeckewitz went for £200 to Granger, and a pair of street scenes in Ryswyk and Watering by Paulus Constantijn La Farge to French for £7,100. At Sotheby's, Belgium, a sale set (193 ozs) by Eliza Godfrey, 1852 fetched £900 against an estimate of £200 to £350.

Love gave £1,550 for a 122-oz cylindrical parcel gilt tankard and cover, by Carl Johan Tegelsten, St. Petersburg, 1849.

At Christie's sales of dolls, toys, automata, costumes, lace and textiles, which realised £11,201, a wooden doll, 25 inches high c. 1740 sold for 800 gns., a record price for an 18th-century doll, to Richard Wright, an American dealer. An automaton of a photographer taking various poses of his female sitter, went to a private collector for 450 gns. and a bag of fustian embroidered with green worsted leaves, dated 1683, to Mayores for 270 gns.

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Furniture workers win £2-a-week pay increase

BY ROY ROGERS, LABOUR STAFF

18,000 furniture workers in the furniture industry are to receive increases of about £2-a-week from January under a settlement negotiated between the furniture workers and the British Furniture Manufacturers.

Under the deal, which will increase pay talks for a further 1,000 workers in the bedding and piano sectors of the industry, men and women on the minimum craft rate will get a £2 for 40 hours. The new craft rate will go to £22.66.

Time rates for labourers and fitters will go up by £1.50 a week to £19.15 (£18.90 in the provinces).

Some 70 per cent of the industry's workers are on payment results schemes and these will benefit by 2.75p on the turnkeyman's consolidated rate and 2.50p on the labourer's consolidated rate to give average increases similar to the time-workers.

The settlement, which also includes improvements in shift pay and lodging allowances, is estimated by the employers to be worth between 7 per cent and 7.5 per cent. Last year they granted increases of about 13.1 per cent.

Other Labour News, Page 26

North Atlantic freight change

BY JAMES McDONALD, SHIPPING CORRESPONDENT

THE NORTH Atlantic Westbound Freight Association has announced that, from January 26 next year, member lines will introduce a "currency adjustment" upward charge of 51 per cent on ocean freight and charges on traffic shipped from the U.K. and the Irish Republic to north and south Atlantic ports of the U.S.

The adjustment, says the shipping conference, is "due to the substantial appreciation of European currencies against the U.S. dollar over the last few months." The conference rates are based on the U.S. dollar and member lines have been losing money because of this dollar depreciation.

The conference also announced that it would amend the "tariff rule" governing the rate of exchange to be used when freight charges were paid in a non-dollar currency. This ensures that the currency adjustment does not constitute "an increase in ocean freight rates" but will only offset the depreciation of the Association's tariff currency.

Member lines of the Association are: American Export Isbrandtsen Lines; Atlantic Container Line; Atlantic Gulf Service; Boston Line; Bristol City Line; Combi Line; Dart Container Line; Hapag-Lloyd AG; Independent Gulf Line; New England Express Line; Sea-Land Service Inc.; Seatrain Lines Inc.; and United States Lines.

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COMPANY NEWS + COMMENT

Birmid Qualcast second half advance

TAXABLE PROFITS of Birmid Qualcast expanded by £1,148,809 to £5,478,906 in the second six months, leaving the pre-tax figure for the full year ended July 31, 1971, at £7,926,906, an overall increase of £508,809.

The final dividend is being raised from 9s per cent. to 11s per cent., bringing the total to 18s per cent. against 17s per cent. for the year ended July 31, 1970, at £7,926,906, an overall increase of £508,809.

Sales in the year totalled £52,356m compared with £50,088m, and profit before tax and loan interest (excluding parent company net investment income) came to £5,478,906 (£7,926,906). These figures show an overall margin on sales of 10.1 per cent. (10 per cent.).

An analysis shows that the main contributors to the profit increase were the foundries, and home and garden equipment divisions which notched up advances of 23 per cent. and 10s per cent. respectively, and offset a drop of 3s per cent. on the wrought and engineering products side.

Turnover: £52,356m (1970-71: £50,088m). Foundries: £16,133m (1970-71: £15,492m). Home and Garden: £15,332m (1970-71: £15,492m). Wrought and Engineering: £10,891m (1970-71: £9,104m). Group profit: £5,478,906 (1970-71: £5,478,906). Profit before tax: £5,478,906 (1970-71: £5,478,906). Taxation: £1,148,809 (1970-71: £1,148,809). Net profit: £4,330,097 (1970-71: £4,330,097). Dividends: £1,148,809 (1970-71: £1,148,809). Retained profits: £3,181,288 (1970-71: £3,181,288).

Cash flow from retained earnings plus depreciation totalled £1,242,277 (£1,242,277).

On prospects, managing director, Mr. T. W. D. Cooper, tells members that in the foundries division the group is budgeting for increased profits but is dependent to a degree upon the automotive and tractor industries, and the outlook for the latter is not promising at present.

In the home and garden equipment division further growth and market penetration with lawn mowers is anticipated where there is also the advantage of a "very considerable" export market. Substantial benefits are expected from the reorganisation within household products group. In the wrought and engineering products division the depressed industry conditions continue but the group anticipates a better year and is budgeting for increases in both sales and profits.

comment

Birmid Qualcast's healthier second-half performance has duly materialised with the upshot that full-year earnings are 14 per cent. up at 7.2p a share. The key to this advance is the highly geared foundries business, which has benefited from a relatively strike-free half in the motor industry as a whole. Elsewhere, the lawn-mower side has also shown its resilience—aided by the continuing

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switch from hand to higher-margin powered machines. The only black spot has been wrought and engineering products but recovery hopes here are backed by more overseas work and better-priced contracts. Though tractors are still a depressed market the group seems confident enough about 1971-72 generally and first-half profits (down 20 per cent. in 1970-71) should be back to the 1969-70 level. That at any rate is what a p.e. of 15.7 at 115p is anticipating after a 3p rise yesterday.

Silhouette profit will be lower

CURRENT YEAR profits of Silhouette (London) will not reach the 1970 record of £608,001, reports the chairman Mr. Hans Blumenau.

However, members are to receive a maintained 10 per cent. interim dividend in view of the substantial cover and the Board's confidence in the future. A first half sales have increased from £2,890m to £3,890m, but profit fell from £433,235 to £305,185 because of the effect of the postal strike on Silhouette (Salop) and of modernisation of Silhouette (Thurmscoe) proving more expensive than anticipated.

At Salop turnover increase was not sufficient to absorb rising costs, and its profits decreased. The Thurmscoe company lost money.

Other subsidiaries did well, particularly J. A. Fierston, whose main customer is Marks and Spencer. Both the Belgian and French companies increased their sales. With the interchange of business, which has ideas with the U.K. members of the group now well established, Mr. Blumenau states that it will become even more beneficial through Britain's decision to join the Common Market.

However, for the immediate outlook, Mr. Blumenau reports that while it was anticipated that in the summer season, Salop's mail order customers would recapture some of the sales lost in the first half, there seems to be no evidence that this is in fact happening.

And, although trading with retail stores continues at a high and satisfactory level, the increases in sales are not enough to offset the business lost earlier.

Thurmscoe, he says, is still a problem. In his interim report for 1971 the chairman said he was satisfied that the reverses experienced in 1970 were being overcome. He now says there remains a continuing low level of trading at S. A. Monk, the fully fashioned knitting machinery subsidiary which has been further contracted during the year, and substantially reduced contribution to group profits is being experienced from Stibbe-Hadden, the knitted fabrics subsidiary.

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comment

Silhouette has problems enough with a static market for basic consumer goods, but the company's attempt at diversification turns sour. However, Thurmscoe—night leisuwear—having run into sizeable losses in January to June should be back in the black by 1972. As for the main production plant at Salop—now over its earlier problem of lack of capacity, but facing increased demand from mail-order—Silhouette is switching output to the (at present) profitable retail trade. Finally, the French and Belgian interests are doing well and currently chipping in profits worth around 100,000 per cent. in a full year. The latter fact alone might make an historic p.e. of 61 worth a closer look at 74p for the "A."

Profit rise for OP Chocolate

FIRST-HALF profits of OP Chocolate have expanded from £218,944 to £260,081, and the interim dividend is being stepped up by 2s per cent. to 10 per cent. For the year ended March 31, 1971, profit amounted to £260,081 and total dividend was 22s per cent.

comment

O.P. Chocolate has lived up to its earlier confident hopes with first half profits up 19 per cent. pre-tax. In part this reflects price increases of around 7 per cent. at the beginning of the year plus a favourable cocoa trend. But new products in the chocolate novelties and dietary and health food areas have also done much better than expected, both in the home market and the EEC. Otherwise private label sales to groups like Marks and Spencer and Sainsbury have been on the increase—helped by new products such as caramel wafers. Overall, the trading outlook seems encouraging enough at present.

Though at 139p the crop for the last 12 months is still 12d despite a 64p rise from the year's low.

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British Industrial pays 10%

SECOND HALF profits of British Industrial Holdings show a reduction from £396,824 to £164,786, reports the chairman Mr. Alan Smith. The pre-tax profit for the full year ended June 30, 1971, down from £1,025,824 to £396,824. When reporting the first-half fall—solely attributable to the building division—the directors said they expected to recommend a dividend when the final result was known.

In the event a final of 10 per cent. is proposed which thus compares with the 25 per cent. total paid for 1969-70.

1970-71 1969-70

Group profit: £164,786 (1970-71: £396,824)

Profit before tax: £164,786 (1970-71: £396,824)

Taxation: £164,786 (1970-71: £396,824)

Net profit: £164,786 (1970-71: £396,824)

Dividends: £164,786 (1970-71: £396,824)

Forward: £164,786 (1970-71: £396,824)

Includes £20,000 (1970-71: £396,824)

adjustments.

Warren Tea prospect

Reasonably satisfactory results are expected by Warren Tea Holdings in the current year despite only 21 per cent. of estimated tea crops having been sold at the end of October and the complicating position of the Indian sub-continent.

Disturbed conditions in north-east India, following the recent floods, still persist and demands on available transport continue to affect movement of tea from the estates.

Presenting this picture at yesterday's annual meeting, Mr. W. Mitchell-Innes, the chairman, said this season's crop to the end of October showed an increase of 10s per cent. over the corresponding date of 1970. At the same time the crop of Tandoor, the Kenya subsidiary, was 25 per cent. down because of severe and widespread drought conditions only in the year.

Tes sold to the end of October, 1971, showed an increase overall, of some 42 per cent. over a year.

Statement Page 27

COMMERCIAL UNION

Commercial Union Assurance Company announces that following the acquisition of Holloway & Co. Properties, the name of the company has been changed to Commercial Union Properties. CLUP will be responsible for the coordination of all Commercial Union Group property investment in the U.S. and Canada.

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Commercial Union Assurance Company announces that following the acquisition of Holloway & Co. Properties, the name of the company has been changed to Commercial Union Properties. CLUP will be responsible for the coordination of all Commercial Union Group property investment in the U.S. and Canada.

Statement Page 27

Warren Tea prospect

Reasonably satisfactory results are expected by Warren Tea Holdings in the current year despite only 21 per cent. of estimated tea crops having been sold at the end of October and the complicating position of the Indian sub-continent.

Disturbed conditions in north-east India, following the recent floods, still persist and demands on available transport continue to affect movement of tea from the estates.

Presenting this picture at yesterday's annual meeting, Mr. W. Mitchell-Innes, the chairman, said this season's crop to the end of October showed an increase of 10s per cent. over the corresponding date of 1970. At the same time the crop of Tandoor, the Kenya subsidiary, was 25 per cent. down because of severe and widespread drought conditions only in the year.

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1. Recapitalization data usually last day for clearing free of stamp duty. a. Placing
new in public. b. Figures based on prospectus estimate. c. Dividend rate paid or
rate on basis of capital: every based on dividend on full capital. d. Figures
used on prospectus or other official estimate for 1900-71. e. Ordinary shares as a
rights. f. Issued by tender. g. Offered to holders of ordinary shares as a
rights. h. Issued by way of redeeming. i. Rights by way of capitalisation. j. Tender
document price. k. Reunited. l. Issued in connection with reorganisation, merger
take-over. m. Provisional quotation. n. Introduction. o. Issued to former
reference holders. p. Dear to under Special Rule. q. Price at time of suspension.

Fivever third quarter se—to pay more

is that the group has made up the lost ground by the Ford strike in the winter and the expectation of a minimum dividend of 15 per cent if capital increased by last year's-for-four scrip issue, for next year still stands.

Mucklow looks to further advance

In the year ended June 30, 1971, profits, before tax, improved from \$550,567 to \$278,726. Of these properties and investments contributed \$612,628 and the building and contracting and artificial stone manufacture \$64,098. As reported October 30 the dividend is lifted 2½ per cent to 25 per cent.

Mr. Mucklow explains that profits of the property companies show a further satisfactory in-

R. G. Shaw to hold profit

In the Far East (Malaysia, Singapore, Indonesia) the main item is the continued progress of the associate: Sime Darby Holdings. The directors have adopted a new approach towards further investment in the Far East and when Sime Darby enters into a suitable new venture they

**NORTH BRITISH
PROPERTIES**

The results of North British Properties which appeared yesterday were published a day prematurely. The Financial Times regrets breaking the 10.30 a.m. embargo and tenders apologies to the company for any embarrassment and inconvenience caused.

announces that profits are increase in the capital and while presently running at about the application had been made for same level as last year and in such consent the Government the absence of unforeseen circum- there "has not felt able to stances, results for the current accede," said Mr. Balfour.

PERAK RIVER

increase in the capital and while application had been made for such consent the Government there "has not felt able to accede," said Mr. Balfour.

10

NAME _____
COMPANY _____
ADDRESS _____

A black and white photograph of a goldfish in a round bowl. The goldfish is dark-colored and is positioned in the center of the bowl, facing towards the left. The bowl is a simple, rounded glass container. The background is a light, textured surface. The image has a grainy, high-contrast quality.

BBA Group Limited, Cleckheaton, Yorkshire

Mintex Ltd • Scandura Ltd • Cresswell's Asbestos Company Ltd • Sovex Ltd
 Versil Ltd • Regina Glass Fibre Ltd • Comprehensive Computer Services Ltd
 Railtek Ltd • Marshall Handling Equipment Ltd • Overseas Subsidiaries in West
 Germany • United States • Spain • Canada • France • Australia • South Africa

URGENT IN THE BUILDING

STAFF'S CARE AND BY CATER

TRACTS FROM THE STATEMENT BY LORD OF STRADBROKE

annual general meeting of Holdings Limited was held on 10th November 1971 in London, at Stradbroke (the chairman's) an extract from the statement— ended 31st March, 1971, a net profit of £80,000, an increase in net profit of £20,000, an increase in the rate of Corporation Tax of 10% to 30% of the greater part of the additional profits, from trading derived mainly from the sale of individual houses and tenants, and from the sale of complete blocks of houses.

Commitment to property investment

that because in recent years we have obtained an increase in our profits from trading that it is now a case, and we are still committed to property as our foremost activity, one which we believe, we reasonably profitable one in the future.

a number of factors have led to a more view than I did last year investment, particularly in property, which is our field of activity. Firstly, welcome fall in interest rates in the recent past gives hope in residential property, which may again prove

DAEJAN HOLDINGS LIMITED

TUC pressure for 'threshold agreements'

BY JOHN ELLIOTT, LABOUR EDITOR

TUC LEADERS yesterday gave 1973 should not lead to increases in basic consumer prices. They said there had been unnecessary price rises after the introduction of decriminalisation, and they called on the Government to take steps—such as a publicity campaign—to ensure that shopkeepers know how the tax rates should affect prices. In any case, the TUC intends itself to mount a campaign along these lines.

There was a long discussion during the meeting over food prices. The Chancellor has said these will be relieved, but the TUC urged that this "relief" should, in fact, amount to their being put on a zero taxation rate.

The TUC also pressed that other items should also be relieved, including housing, local rates, fuel and light, children's clothing, transport fares and broadcasting fees.

General worry

The TUC's general worry was that VAT might, by the rearrangement of taxation after the elimination of purchase tax, put a heavier burden on the lower-paid while letting the better-paid off more lightly. This would lead to the gap between the poorer and better-off being widened, instead of wealth being more evenly distributed.

The Chancellor agreed to note the TUC submissions, which may be amplified at a later meeting. But he gave them no assurances on any points, explaining that he could not indicate in advance what he would do because of VAT's involvement in next year's Budget. "We were not assured of anything in reality," commented Mr. Vic Feather, TUC general secretary, after the meeting. "The purdah has come down a little early this year."

Editorial Comment Page 18

APPOINTMENTS

Five divisional directors join Associated Biscuit main Board

ASSOCIATED BISCUIT MANUFACTURERS has appointed five executive directors of its U.K. Biscuit Division to the Group Board.

They are Mr. W. A. Palmer, industrial relations and training adviser, Mr. R. J. Palmer, export director, Mr. M. S. Carr, home sales director, Mr. T. R. R. O'Connor, market planning director, and Mr. B. R. K. Huxton, director in charge of secretarial, salary and pension services, and group secretary.

Mr. N. E. Williams has been elected vice-president for 1971-73 of GIPAP (Groupement International des Associations Nationales de Fabricants de Pâtisseries). He is a director of Burt's and Harvey.

Mr. J. M. Macnair has been appointed marketing director and Mr. A. M. Gooding, sales director, of FOSFUR INTERNATIONAL, a subsidiary of Fosco Minsep.

Mr. E. A. Swann, managing director of A. W. Swann and Co., has been appointed vice president of the KNITTING INDUSTRIES FEDERATION.

Mr. A. G. Jeune, director and chief engineer of Osborn-Hadfield Steel Foundries, has been appointed chief engineer of the foundries division of the WEIR GROUP. He will also join the Board of the other foundry companies in the division and will be responsible for the maintenance engineering and development departments in all of them.

Mr. E. D. Wells, sales director of Catron and Co., a member of the group, is to relinquish his duties at the end of December by mutual agreement because of ill health.

Mr. Charles A. Mink has been appointed senior vice president of petroleum products, and director of refined products for PHILIPS PETROLEUM COMPANY.

By mutual agreement Mr. J. B. C. Carr is to relinquish his appointment as director of FERTILISER MANUFACTURERS

ASSOCIATION on January 1. Mr. of the Winchester Recreation J. C. Plater, secretary of the association, will become chief executive officer on the same date. Mr. S. P. Farr has been appointed to the Boards of BEAUMONT PROPERTIES and its subsidiaries.

The BRITISH AIRCRAFT CORPORATION has appointed Mr. Christopher J. Hamshaw Thomas public affairs executive. He was previously manager-market development of the commercial aircraft division at Weybridge.

Mr. Robin Pringle has been appointed executive editor of THE BANKER from January 1. He has joined the magazine in 1963, later becoming assistant editor and the editorial staff of The Economist, but returned to the Financial Times group the following year to become the first manager of the Banker Research Unit.

At present he is deputy director of the Committee on Invisible Exports.

Mr. I. R. Philby, managing director of P. R. Grimshaw and Co., has been appointed an additional director of the PENNINE MOTOR GROUP and its subsidiaries.

Mr. F. T. Howells has been appointed director and general manager of SOUTHERN COMMUNICATIONS, part of the Southern Instruments Holdings group. He was previously joint director (design and development) of Shandon Southern Instruments.

Mr. G. E. Flint, managing director of Adamson and Hatchett, a member of the ACROW group, has been appointed a director of the group.

Lord Orr-Ewing, chairman of Ultra Electronics, has been made deputy chairman of the METRICATION BOARD.

Drake and Scall Engineering has been awarded a £500,000 mechanical services contract for Phase 1 for an operations course.

Mr. Brian Lambert, group chief executive of SIR WILLIAM GARTHWAITHE (HOLDINGS), has been appointed chairman in place of Sir William Garthwaite, who has retired from that position but continues as a director. Mr. E. J. Fathers and Mr. J. L. Kavanaugh have joined the Board.

Nuclear power training centre at Oldbury

THE Central Electricity Generating Board intends to set up a nuclear power training centre for engineers. It is expected to cost £87,000, and will be at the Oldbury-on-Severn power station. This would replace existing training facilities at four separate places and enable the Board to meet the growing need for a single, purpose-built establishment for the training of engineers operating nuclear reactors. The CEGB has eight nuclear power stations in service, and four more are under construction. An introductory course will be attended by all operating engineers on first appointment to a nuclear station. The engineers will then return to their stations for about two months practical experience before attending again at Oldbury for an operations course.

SHAW & COMPANY LIMITED

1969/70 1970/71

Profit before Tax 823,245 940,924

Profit after Tax 532,689 698,079

Dividends (Gross) 350,000 418,250

Dividends retained 182,689 281,829

Annual General Meeting will be held on December 10th in London.

following are extracts from the circulated Review of Chairman, Mr. A. W. Shaw:

East—Malaysia, Singapore, Indonesia: The main features of the continued progress of Shaw Wallace & Co. Ltd. is operating well and actively under good conditions in all areas.

plantation investments produced satisfactory results due mainly to the ability of their palm oil estates, which the usual annual fees and produce commissions have been at a satisfactory level.

have adopted a new approach towards further investment in the Far East when our associate Sime enters into a suitable venture, we will take an active stake so that we participate from the start.

United Kingdom: Here our principal concern has been Thames Rice Milling, a combination of success and adverse trading conditions resulted in a loss for the first six months. Strenuous efforts were made to resolve these factors; reasonable profits were made during the final six months and still continue.

The Group's other trading activities were broadly in line with those of 1969/70.

India, Pakistan and Ceylon: Shaw Wallace & Co. Ltd. our associates in India, had a record year. In spite of the difficulties and problems inseparable from operations in India, I am reasonably hopeful that the next few years will result in increased Shaw Wallace profits and increased dividends to R. G. Shaw.

Pakistan profits are mainly tea dividends and sales commissions and these are bound to be affected and reduced in the current year.

Prospects: On the figures before me, coupled with the continuing prosperity in the Malaysian, Singapore and Indonesian areas, I can look forward to profits for the current year at least equal to those now before you with the prospect therefore of an increased distribution to members.

More study needed

But this request seems somewhat unlikely to be taken up quickly. The general feeling in the Government, as far as the public sector is concerned, and among private employers is that far more study of the idea is needed before any encouragement could be given to wage negotiators which might lead to the idea being quickly adopted. Civil Service and other public sector union leaders seem to be in no doubt on this point. However, in a more academic sense, employers will now be studying such claims to try to determine their possible effect on wages.

VAT effects

The idea of threshold agreements is that they should prevent wage rises falling far behind increases in the cost of living by providing for automatic pay increases if the cost of living rises faster than a pre-determined rate. The concept, however, has led to some misinterpretation. To ensure that all unions understand the theory and possible benefits the TUC is organising a special conference of union presidents and general secretaries early next year to brief them on the subject.

At their meeting with the Chancellor the TUC economic committee members urged that the planned switch to VAT in

Trafalgar House travel/leisure division

By Ray Dafter

TRAFALGAR HOUSE Investments announced last night it is reorganising its leisure and travel activities within a new division under a holding company, Trafalgar-Cumard Leisure Holdings.

The division will market the four Cunard passenger ships—the Queen Elizabeth II, the Carmania, Franconia and Cumard Adventure—U.K. Italian and Caribbean hotels, packaged holidays (Sunair and Lunn Poly) and the existing Lunn Poly travel agencies.

Apart from the hotels all these leisure activities were acquired with the take-over of Cumard. It is expected that the appointment of a managing director to head the division will be announced shortly.

Trafalgar House announced on October 19 that it was establishing a holding company, Cumard Steam-Ship, for a new shipping division to control Cumard's fleet of 70 ships.

Knox damages claim against Skyways

By Michael Donne

MR. JOHN KNOX, who led the team of employees which rescued Skyways from bankruptcy earlier this year, but who was recently voted off the Board of that company, has now issued writs claiming damages for wrongful dismissal.

The writs are issued against Skyways International, and its holding company, Lynpne Investments, and five directors of Lynpne.

Skyways International runs the coach-air-coach services to Paris, and is still operating successfully following its reconstitution under Mr. Knox earlier this year.

Mr. Knox is still a one-sixth shareholder in Lynpne Investments, and a one-twelfth shareholder in Skyways International.

No import duty on travel brochures

THE DEPARTMENT of Trade and Industry said yesterday it had rejected an application for the imposition of an import duty on travel brochures ordered by British companies but printed abroad.

The application, believed to have come from the British printing industry, was announced by the Board of Trade on August 5, 1969.

Although official U.K. import statistics do not classify separately the type of travel brochures covered by the application, imports are known to come mainly from West Germany, the Netherlands, Italy and Sweden.

You've kept us so busy in Japan, we've had to close our Tokyo office.

And open a bigger one.

Our new full-banking Tokyo branch opened August 16, 1971. In the capital's newest midtown skyscraper, the Asahi-Tokai Building, at 6-1, 2-Chome, Otemachi, Chiyoda-ku.

It replaces an office we've had in Japan since 1949, when we were the first post-war "foreign" bank to set up a representative office.

During the last 22 years, Manufacturers Hanover has come to know Japan quite well—her people, their customs, the Japanese economy, the government. As a result, today we are playing a major role in Japan's economic boom.

Our Japanese expertise and contacts are yours—through our new Tokyo branch.

This new facility also offers broad international services to correspondent banks located around the world... as well as to internationally-oriented corporations which have activity in Japan and throughout the Far East.

And it adds another dimension to our world-wide facilities. Full-service MHT branches in London and Frankfurt, for example. A London-based merchant bank. A Belgian subsidiary at the center of the Common Market. And an English export financing affiliate.

In Tokyo, we help East meet West: Far Eastern opportunity and Western industry.

May we make some introductions for you?

The man to contact is Richard H. McCarthy, Vice President, officer in charge of our new Tokyo office.

Manufacturers Hanover does big things internationally

NEW YORK • BANGKOK • BEIRUT • BOGOTA • BRUSSELS • BUENOS AIRES • CARACAS • FRANKFURT • LIMA • LONDON • MADRID • MANILA • MEXICO CITY • PARIS • ROME • SAO PAULO • SYDNEY • TOKYO

MUEL PROPERTIES LIMITED

Extracts from the Report and Accounts for the year ended 30th June, 1971 and Statement by the Chairman, Viscount Bearsted, T.D., D.L.

Year to 30th June, 1971

Year to 30th June, 1970

from investment properties: £

rentals 1,122,707 1,057,491

cost payable (536,863) (696,576)

from developments for resale 588,844 480,915

interest 357,689 213,491

income: £

lands—franked 7,313 20,813

rent receivable 335,534 268,664

rental expenses (151,288) (117,419)

BEFORE TAXATION (after joinings on properties in use of development) 1,138,094 844,464

United Kingdom: £

1969 462,187 349,440

1970 (2,509)

AFTER TAXATION

from realised capital profits 673,907 492,515

from realised capital profits mount equal to interest and rents on properties in use of development 8,093 18,734

year items 682,000 511,249

dividend 23,526 10,271

dividend (1,459) (2,232)

ABLE FOR APPROPRIATION £704,067 £519,288

Annual dividend of 20% recommended, making 32% for year (1970—26%).

Capitalisation issue of one share for each ordinary share to be proposed at the Annual General Meeting.

Substantial developments to commence in 1972 should the current level of distribution to be maintained at less than current levels.

ANGLO-CONTINENTAL INVESTMENT & FINANCE COMPANY LIMITED

Shareholders are informed that the Directors have recommended the payment of a dividend of 0.625p per Ordinary Share in respect of the year ended 31st March, 1971, and that, subject to the passing of the necessary Resolution at the Annual General Meeting to be held on 29th November, 1971, this dividend will be paid on and after that date.

Dividend will be made to holders of Share Warrants to Bearer (not presentation of Coupon No. 8 at the Chartered Bank, 1st, 38, Bishopsgate, London, E.C.2).

Dividend will be made after deduction of U.K. Income Tax at the Standard Rate of 38.75%.

FINANCIAL AND ACCOUNTANCY APPOINTMENTS

Partner

International Accounting Practice
Mid 30's

This is a permanent appointment with a substantial U.K. accounting practice with international connections. It is an exceptional opportunity for a young, able and energetic C.A. who seeks an exciting, yet financially rewarding career.

The first 5 years will be spent overseas in a country with a climate which is particularly favourable to Europeans. The local practice has grown significantly since its inception 10 years ago - and clients comprise some of the largest local companies besides associates of well known U.K., U.S. and European organisations.

The new partner will be actively involved in helping to cultivate the further expansion of the practice - as well as taking personal responsibility for some of the day to day affairs. He will be married and in his mid 30's; he will have had a broad grounding in the profession, be well versed in current audit techniques and will now be holding a management appointment in a professional office.

Screening interviews will be carried out by consultants with first hand experience of the country concerned. Please write, in confidence, to V. M. Doel-Carter, Partner, quoting ref. C631.



McIntock Mann & Whitney Murray,
Management Consultants,
95 Southwark Street, London SE1 0JA

Financial
Controller£4,500p.a.
TELERENT EUROPE

Telerent Europe is the operating company of Granada Group representing our rapidly growing interests in overseas TV rental. We are looking for a senior qualified Accountant to be responsible to the General Manager for the accounting and financial control of 8 overseas companies.

Probably under 40 our man would have to show an understanding of computer-based accounting systems and a record to suggest the drive and ability to cover this important assignment competently. Knowledge of the TV rental industry and the ability to speak a European language would be advantageous.

Based in London, the position will involve travel to the Continent of Europe and Canada. The rewards will include a breadth of experience in continental finance, generous salary and Granada Group pension and life assurance schemes.

Write details of age, qualifications and experience to: C G Stanton

**GRANADA
GROUP
LIMITED**

36 Golden Square London W1R 4AH

Merchant
Banking-
Corporate
Finance

S. G. Warburg & Co. Ltd. wish to make further appointments to their Corporate Finance Department. Applications are invited from men in the 25-28 age group who have worked for several years preferably in Banking or Finance, although Commercial or Industrial knowledge will also be considered. Experience in multi-national companies would be an advantage as would be a knowledge of languages.

Please submit a letter of application accompanied by a full curriculum vitae to:-

Mr. P. K. Marlow, S. G. Warburg & Co. Ltd.,
30, Gresham Street, LONDON, EC2P 2EB.

Senior investment
analysts

required by leading firm of Stockbrokers for

Stores/Textiles

The Analysts will be required not only to write detailed studies in the above sectors but also to visit companies and financial institutions.

Salary is negotiable commensurate with the importance of this position.

Please write in the first instance, quoting reference CL 1065 on the envelope to:

Foster Turner & Benson Limited,
Recruitment Division,
St. Alphege House,
Fore Street,
London EC2V 5DP

Should there be any company to whom you do not wish your application forwarded please advise us in a covering letter omitting the reference number on the envelope.

BANKING POSITIONS

Explore the possibilities available in Merchant, Foreign and Overseas Banks. Consult the City specialists for excellent opportunities in all banking positions.

Please write: call or phone

CITY BANKING EXECUTIVES
109 FENCHURCH STREET
LONDON E.C.3. 01-708-8971

WORLD BANK

The World Bank, which is expanding its professional staff, offers interesting and challenging work in the international atmosphere based in Washington, D.C. with frequent opportunity for international travel. Appointments will preferably be of indefinite duration with career prospects but services for fixed periods may also be arranged.

Salaries are attractive and take into account the fact they are generally free of income tax. Where tax is imposed on the salary the Bank will reimburse the amount payable. There are good prospects for advancement based on merit. Family passage and moving expenses are paid. Fringe benefits include home leave travel at two-year intervals, liberal pension plan, health scheme, family allowances, as well as possible assistance towards the cost of children's education.

Candidates must be in good health and preferably in age group 32-55. Ability to write clear and concise reports in English in addition to knowledge of French or Spanish would be an advantage.

Applications are invited as soon as possible from highly qualified candidates in the following fields:

Fiscal Economist

Requirements: A Ph.D. (or equivalent) in Economics with training in public and international finance, capital market development and balance of payment problems. Candidates should have acquired some experience in developing countries with considerable professional responsibility in their current position.

Trade Policies
Economist

Requirements: A Ph.D. (or equivalent) in Economics with training in international trade analysis and econometrics. At least 3-5 years of post doctoral experience undertaking empirical research in fields of international trade and long term projections, preferably in commodity trade.

Financial Analyst—
Water Supply/Power

Requirements: Degree in corporate or public finance, economics, accounting, law or business administration. Financial experience, business judgement gained with investment banks, brokerage in insurance houses, or management in accounting firms, or utilities. Knowledge is desirable of utility finance and rate structures, organisation and management problems, public utilities regulations, investment criteria, basic accounting and economics. Preferably a knowledge of developing countries and the financial aspects of economic development problems.

Technical Assistant:
Pre-Investment Studies
(transportation)

Requirements: Degree in Economics or Engineering with broad experience in transportation. The successful candidate will be mainly engaged in administering UNDP-financed projects in transportation which includes preparing project descriptions and terms of reference, negotiating and administering consultants' contracts and supervising and reporting on the consultants' performance.

Further particulars and forms of application in the case of British Nationals can be obtained from:

Foreign and Commonwealth Office,
Overseas Development Administration,
International Recruitment Unit,
Room 304, Eland House,
Stag Place, London, S.W.1.

Nationals of other countries should apply to:

The Personnel Division of
The World Bank,
1818 H Street N.W.,
Washington D.C. 20433, U.S.A.

MSL

Management Consultants in Human Resources
LONDON BIRMINGHAM
GLASGOW MANCHESTER

Finance and Administration
Manager

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about £6000

for a consumer goods company with a multi-million turnover. Reporting to the Managing Director he will be responsible for all financial matters and credit control systems. Of special importance will be the close control and supervision of administrative procedures in every area of the company's operations coupled with the general administration of premises, equipment and personnel. Candidates, probably in their early 40's, must be chartered accountants with several years senior management experience of financial control and general administration, preferably in the consumer goods industry. Some experience of working in Europe would be an advantage. Salary negotiable, car and usual fringe benefits. The appointment offers interesting scope for further advancement in a company planning for considerable expansion. Please write stating how each requirement is met to J. M. Ward reference B.39033.



The MSL Consultant has analysed this appointment

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Mr. C. M. Bloodworth,
Appointments Supervisor,
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International Merchant Bank requires Senior Executive 28 to 35 years. Applicant should have minimum 5 years experience in a London-based merchant bank. Duties will include office management, loan syndications, and business development in Europe, the U.S.A., and Latin America. Candidate will report to Directors. It is to be London-based, but must be willing to travel. The work is imaginative and the salary substantial. Interested applicants please telephone 01-500 5933.

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Our clients, a large international firm of chartered accountants, can offer the opportunity to a young man or woman, 25 to 30 years, who wishes to specialise in the administration of estates and trusts. The position involves the successful applicant to become conversant with all the accounting, taxation and estate duty aspects of this work. Since the department is expanding the incumbent will have ample opportunity to increase responsibility with knowledge, but our client does expect some previous experience to have been gained in the financial, legal, insurance or some related field. Please write full details to John Stifford, Position No. 587, Dorland Recruitment Advertising Limited, 121 Westbourne Terrace, London W2 2.

GENERAL
APPOINTMENTS
APPEAR TODAY
ON
PAGE 29

BANKING APPOINTMENTS

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GREENWICH THEATRE

Requires a CHIEF ACCOUNTANT, preferably qualified. The person appointed will be responsible to the administrative director for maintaining all books of account and preparing quarterly and annual accounts. A young or recently qualified accountant must be acceptable. Apply in writing to: Morton Cotes Associate Director (Administration), The Greenwich Theatre, 13 Nevada Street, Greenwich, S.E.10.

Engineering deadlock: No
immediate solution likely

BY MICHAEL HAND, LABOUR CORRESPONDENT

YORK, Nov. 10

THE Government's intervention in the row over the terms of a new peace-keeping agreement for manual workers in the engineering industry does not seem to have led to any immediate prospect of a break in the deadlock between the employers and unions.

It stepped in because Ministers were worried about the possibility of increased industrial unrest in engineering plants, including many key sections in the motor industry, following the unions' decision to opt out of the present arrangements for settling labour disputes which have been operating for the past 50 years.

Senior officials at Mr. Robert Carr's Department of Employment saw representatives of the Engineering Employers Federation and the Confederation of Shipbuilding and Engineering Unions last week, then had further talks with the employers yesterday.

But they have apparently failed to find sufficient common ground to bring the two sides together for further talks at this stage. A report on the consultations with Mr. Carr's advisers will be given here to-morrow at the Confederation's monthly executive meeting.

Stumbling block

The main stumbling block is still the extent to which workers should have the right to object to and seek the deferment of alteration of management decisions to make changes on the shop floor. The unions are seeking a more comprehensive "status quo" clause than the employers are prepared to concede.

With the national talks deadlocked following 24 years' abortive negotiations, the unions are

now trying to secure from individual plant management the terms which they have failed to achieve at the higher level.

A "model" procedure agreement has been sent to shop stewards and union district committees which includes the unions' definition of "status quo" and which lays down that in line with the TUC's policy of non-co-operation with the new Industrial Relations Act, any such plant deal shall not be legally enforceable.

At present, when the two sides are unable to resolve a dispute at a particular plant, they are able under the procedure drawn up in 1922 to bring in progressively local and national officials to help them try to reach agreement.

Highest level

The unions have given notice to withdraw from this procedure next month and under the proposed model deals the highest level for settling disputes would be top management in a plant and local union officials. Failure to agree at this stage would leave unions free to give notice of industrial action.

It is understood that the DE officials suggested that the two sides should continue operating in a modified form, excluding the "status quo" issue which they envisaged could be negotiated at plant level. But this is unlikely to meet with the Confederation's approval.

Some union leaders are pointing out that at during the negotiations on a new national procedure agreement 99 per cent of federated engineering companies supported the EEF stand against the unions on the "status quo" issue, they are unlikely to concede the unions'

terms in talks on individual deals at plant level. One of the small but important engineering unions has opposed termination of national procedure agreement for this and other reasons. Association of Patternmakers and Allied Craftsmen.

"Enough problems"

In the union's journal, month Mr. Gerald Easton, general secretary, poses a question that with all the cutbacks the union moves faces over the industrial relations Act and growing unemployment, have we not got enough problems without having a showdown on procedure?

The row over the new procedure agreement has strained relations between union and employers at a time when the two sides are about to embark on crucial national negotiations affecting 2.5m. engineering workers, having repercussions on other work groups.

Next Tuesday, the union will give their reply to unions' claim which the EEF has said, if conceded, would add 40 per cent to industry's wage costs and it has roundly criticised.

MORE CLAYTON
DEWANDRE
REDUNDANCIES

Clayton Dewandre, where short-time working started a few weeks ago, has made about 150 shop workers redundant. Because of a fall-off in orders, the company has decided to cut office staff by 150.

Tyne ship repair jobs
threatened by tug strike

BY OUR OWN CORRESPONDENT

SOUTH SHIELDS, Nov. 10.

THE TYNE tugboatmen's strike which began nearly a fortnight ago is badly affecting work in the river's ship repair yards. Middle Dock, South Shields, which has already lost two contracts because of the dispute is now running out of work and has had to lay off 240 men with more likely to go later in the week.

The stoppage is also threatening the jobs of the entire labour force of 400 men at the Mercantile Dry Dock, Jarrow. The yard is facing the prospect of being

without work by the middle of next week.

Mr. David Davis, chairman of the North East Coast Ship Repairs' Association said that, unless there was a quick settlement and the tugs brought back to service the river could be without repair work.

Neither side, however, has made any moves to try and resolve the differences and the strike seems destined to drag on for the rest of the week at least.

The tugboatmen stopped work after refusing an offer of a 10 per cent pay increase.

Tourist deals
for Cyprus
Airways

A series of contracts to tourists to Cyprus in 1972, been agreed between Cyprus charter subsidiary of Cyprus Airways, and tour operators Britain, Germany, Switzerland, Sweden.

Between March 25 and the end of October there will be weekly return charters to London and Nicosia. On Sundays, will be for Travel and the other, on days, will be a joint Travel and Exchange charter.

In total the charters represent 21,200 seats for Cyprus. All flights will be in the Trident jets.

MSL IRELAND LIMITED
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49 UPPER MOUNT STREET, DUBLIN 2

Administration Manager

Stockbroking: Dublin

This new appointment results from the rapid and continuing growth of a large and well-known firm of Dublin stockbrokers. The Administration Manager will be expected to provide and maintain the financial, commercial and administrative framework within which the firm can develop its services profitably and successfully. Candidates, preferably under 45, should have had relevant and responsible administrative experience within the stockbroking profession. A degree or professional qualification in addition could be an advantage. Initial salary is negotiable up to £4,000. Non-contributory pension scheme. Re-location assistance. H. W. J. Flannery reference B.80249.

Please state briefly, in writing, how each requirement is met. Nothing will be disclosed, unless you give permission after a confidential interview.

Management Accountant
Engineering: £3750

This new appointment, at Weybridge, is with the newly-formed subsidiary of a large group. The Management Accountant will be required to make a positive contribution to cost reduction and the improvement of product costing systems. Responsible to the Managing Director for a complete accounting service, he will have to develop a management information system separate to that of an associate company, whose general accounting department, including EDP, he will be able to use.

Candidates, in their early 30's, must be qualified accountants and have experience in an engineering environment using standard costs. Some knowledge of the use of EDP for materials accounting and control will be useful. In view of the nature of this role, maturity and above-average communication skills are essential.

The salary is negotiable around £3750. There are excellent working conditions with opportunities for promotion within the group.

Apply in confidence, giving brief details and quoting reference 316/B, to: J. Kingsley White, Deloitte, Robson, Morrow & Co., 17th Floor, St. Alphege House, 2 Fore Street, London, EC2V 5DT.

DOCUMENTARY CREDITS/
LETTERS OF CREDIT

City Merchant Bank requires experienced man to take charge of this Department. Must be able to introduce, process and administer this type of business.

Write to Box A.2348, Financial Times, 10, Cannon Street, EC4P 4BY

APPOINTMENTS WANTED

STOCKBROKING

Executive, married, widely read, with broad experience of the mining market and ten years' investment background gained primarily overseas, seeks position as senior assistant or with Finance House. Write for further details to Box A.2348, Financial Times, 10, Cannon Street, EC4P 4BY.

CHARTERED ACCOUNTANT

28. Ambitious and enthusiastic 28.5 years valuable commercial experience as financial controller and general accountant of public sector company seeks challenging appointment with short-term prospects of a director's consideration. Write to Box A.2348, Financial Times, 10, Cannon Street, EC4P 4BY.

هكذا من العمل

deadlock
olution

هنا من الفصل

INTERIM STATEMENTS



Interim Statement

for the half-year ended 30th September 1971

Interim Dividend of 24% (1970/71 total 4%) amounting to £135,000 gross was declared today on ordinary and 'A' Ordinary non-voting shares of the company. It will be paid on 29th December 1971 after income tax, to those shareholders on the register as at November 1971.

| | 1971/72 Unaudited First Six Months £000 | 1970/71 Audited 16 Months £000 |
|--|---|---|
| Group Profit | 841 | 1,555 |
| Less: Depreciation | 399 | 1,163 |
| Profit before Taxation | 442 | 392 |
| Less: Income Tax | 175 | 79 |
| Profit after Taxation | 267 | 313 |
| Less: Preference Dividend | 50 | 651 |
| Profit for period attributable to Ordinary Shareholders | 13 | 34 |
| Profit for period attributable to Ordinary Shareholders 1970/71 Loss | 204 | (372) |

Since the change in year end there is no comparable six months in which accounting figures are available.

CHAIRMAN'S STATEMENT

Results now before you are broadly in line with projections on which my July Statement was based. Sales were only slightly higher than in the previous comparable period, but margins benefited from the measures taken to reduce working capital and improve the efficiency of group operations.

Reduction in working capital continues, resulting in further material decrease in short-term borrowings. This has enabled the remaining £850,000 of loan notes, issued to Scottish Border Cashmere in connection with the acquisitions of March, to be repaid ahead of schedule.

Level of orders on hand at the end of October is an increase over the level at the same time last year. This reinforces the view expressed in my Statement that in the current year we would have the objective of building a basis from which prosperity of the group would be restored.

Group is now organised in two main divisions. Mr. W. G. Ashdown is responsible for the raw materials and spinning division and Mr. R. A. J. will be joining the group to take responsibility for the Knitwear Division. In addition, the post of Financial Director has been filled by the appointment of Mr. H. J. Thomas.

Expected that profits in the second half will at least equal those of the first six months. In this light, the intention of the Directors would be to recommend a Final Dividend of not less than 34%.

Alan Smith
Chairman

ERIM CEMENT

BEST EVER HALF YEAR RATE OF PROFIT INCREASE UP

Group results, unaudited, for the first six months to 30th September, 1971, with comparative figures for the previous year, are as follows:

| | 1971 Six months to 30th Sept. 1971 £ | 1970 Six months to 30th Sept. 1970 £ |
|---|---|---|
| Profit before Taxation | 1,219,000 | 1,090,000 |
| Less: Depreciation, etc. | 214,000 | 207,000 |
| Profit after Taxation | 1,005,000 | 883,000 |
| Less: Income Tax | 402,000 | 376,000 |
| Profit for period attributable to Ordinary Shareholders | 603,000 | 507,000 |

Chairman, Mr. W. A. de Vries, states that the increased rate of profit for the half year is due to the better performance of most of the group's divisions, particularly in Construction, Agricultural Materials Handling and Petrochemicals. Divisions will be launching new products within the next six months, which will continue to improve the Company's share of the market. The Company is well placed to take full advantage of the Common Market. The record year is in sight. Payment of the interim dividend will be announced in January. The Finance Act 1965. The provisions of the Finance Act 1965 do not apply to the Company. J.W. (ENGINEERS) LIMITED, NOVEMBER, 1971.

TIME PRODUCTS LIMITED

INTERIM ANNOUNCEMENT

| | 6 months to 31st July 1971 (unaudited) | 6 months to 31st July 1970 | Year ended 31st January 1971 |
|---|---|----------------------------|------------------------------|
| External Sales | £2,490,000 | £1,114,000 | £4,573,175 |
| Less: Trading Profit | £130,000 | £20,000 | £134,867 |
| Profit before Taxation | £2,360,000 | £1,094,000 | £4,438,308 |
| Less: Income Tax | £74,000 | £40,500 | £77,236 |
| Profit for period attributable to Ordinary Shareholders | £2,286,000 | £1,053,500 | £4,361,072 |

Results of associated companies are not included in the interim results: they will be dealt with in the final accounts for the year. The first six months of our financial year was most encouraging showing a substantially increased turnover, and in the second half of the year should be maintained. Board therefore hopes for a considerable increase in profits for the full year.

COURTAULDS

Interim Profit and Dividend

The Board announce an unchanged interim dividend of 2.083p per 25p Ordinary Share to be paid on 10th January, 1972 to the Ordinary Shareholders registered in the books of the Company as at the close of business on 10th November, 1971.

Results for April/September (which are unaudited) and the corresponding half year are:

| April/Sept. 1970 £ millions | World Sales to External Customers | April/Sept. 1971 £ millions |
|--------------------------------|-----------------------------------|--------------------------------|
| 312.2 | | 323.4 |
| 190.5 | Sales to U.K. Customers | 194.1 |
| 52.7 | Exports from United Kingdom | 58.4 |
| 17.8 | Profit before Taxation | 16.2 |

| 1970 £m. | Trading Surplus | 1971 £m. |
|-------------|--|-------------|
| 38.7 | | 39.9 |
| 15.4 | Depreciation | 17.1 |
| 23.3 | | 22.8 |
| 1.7 | Investment Income | 2.1 |
| 25.0 | | 24.9 |
| 8.3 | Interest Payable | 9.6 |
| 16.7 | | 15.3 |
| 1.1 | Share of Profits from Associated Companies | 0.9 |
| 17.8 | | 16.2 |

| 7.4 | Less: Taxation—including £2.6m abroad (1970 £2.9m) | 6.4 |
|------|--|-----|
| 10.4 | | 9.8 |
| 1.0 | Less: Minority Shareholders' Interest | 1.2 |
| 9.4 | Courtaulds Shareholders' Interest | 8.6 |
| 0.1 | Less: Preference Dividends | 0.1 |
| 9.3 | Courtaulds Ordinary Shareholders' Interest | 8.5 |
| 5.6 | Cost of Interim Dividend of 2.083p per 25p Share | 5.6 |

In the home market, selling prices were but little higher, on balance, than a year ago. The volume increase was also small. Exports have continued to develop, in an exceptionally severe competitive climate.

Government measures to expand the home economy have not so far worked through to the Group's sectors. The increased depreciation and interest charges arise from additional capacity not yet being fully used. Liquidity is better than a year ago.

L. R. CROYDON, Secretary
10th November 1971

COURTAULDS LTD., 18 HANOVER SQUARE, LONDON W1A 2BB

Unilever

The Boards of Unilever Limited (LIMITED) and Unilever N.V. (N.V.) announce the Companies' results for the third quarter and for the first nine months of 1971, and the interim Ordinary dividends in respect of 1971.

Major foreign currencies have been converted at the official parities. If current market rates of exchange had been used, the profit accruing to Ordinary shareholders would have been virtually the same when expressed in Sterling; when expressed in Guilders, the amount would have been between 2 and 3% lower. In the third quarter sales to third parties were 3% higher than in the third quarter of 1970. Operating profit was 28% higher: the increase in profit came broadly from the same sections of the business as in previous quarters. Compared with 1970, sales in the first nine months increased by 8%, operating profit by 23%. Profits for the fourth quarter are not expected to show the same level of improvement as those for the first nine months.

| Third Quarter | | Nine Months | |
|---------------|--------|-------------|--------|
| 1971 | 1970 | 1971 | 1970 |
| 750 | 728 | 2,290 | 2,124 |
| 54.0 | 41.9 | 157.1 | 128.2 |
| 1.8 | 1.0 | 3.4 | 2.6 |
| (3.2) | (2.7) | (9.7) | (8.3) |
| (.1) | (.3) | (.3) | (.2) |
| 52.5 | 39.9 | 150.5 | 121.3 |
| (24.1) | (18.1) | (70.0) | (58.5) |
| (1.2) | (1.2) | (3.6) | (3.3) |
| 27.2 | 20.8 | 76.9 | 59.5 |
| (.8) | (.8) | (1.6) | (1.6) |
| 26.6 | 20.0 | 75.3 | 57.9 |

| Third Quarter | | Nine Months | |
|---------------|-------|-------------|--------|
| LIMITED | N.V. | LIMITED | N.V. |
| 1971 | 1970 | 1971 | 1970 |
| 325 | 316 | 1,003 | 943 |
| 22.1 | 18.1 | 60.9 | 50.8 |
| 1.0 | .4 | 1.9 | 1.1 |
| (1.8) | (1.8) | (5.4) | (5.3) |
| .3 | 1.0 | (.1) | .8 |
| 21.6 | 17.7 | 57.3 | 47.5 |
| (11.3) | (8.5) | (29.7) | (23.9) |
| (.3) | (.3) | (1.0) | (.9) |
| 10.0 | 8.9 | 26.6 | 22.7 |
| (.1) | (.1) | (.3) | (.3) |
| 9.9 | 8.8 | 26.3 | 22.4 |

DIVIDENDS
The Boards today declared interim dividends in respect of the year 1971 on the Ordinary capitals at the following rates, which, in accordance with the Equalisation Agreement between the two Companies, are equivalent at today's rate of exchange:—
LIMITED 4.52p (1970-4.375p) **N.V.** Fl. 2.51 (1970-Fl. 2.51)
N.V.'s interim dividend is unchanged; LIMITED's interim dividend is slightly increased so as to make it equivalent to N.V.'s interim dividend in terms of the Equalisation Agreement.
In the case of LIMITED the interim dividend is actual per 25p Ordinary share before deducting income tax, and it will be paid to shareholders registered in the books of the Company at the close of business on 28th November, 1971.
In the case of N.V. the interim dividend is actual per Fl. 20 nominal amount of Ordinary capital.
It is intended to pay the above interim dividends on the Ordinary shares of both Companies on 16th December, 1971 (except for the dividends on the American Depositary Receipts representing Ordinary capital of LIMITED and on the New York Shares of N.V.—in respect of which a separate announcement is being published in the United States).
It is the present intention of the Boards to recommend increases in the total 1971 dividends of both LIMITED and N.V.: the amount of the increase will be considered when the full year's results are known.
10th November, 1971

Extensions at Wellington College

By H. A. N. Brockman, Architecture Correspondent

CHANGING requirements at Wellington College, Berkshire, are dictating both internal modernisation and extensions to the college buildings. Any attempt to continue the richness of the original buildings would be economically impossible and stylistically undesirable, considering the gradual fading out of the edges of previous extensions.

The new extensions, therefore, comprising a classroom block, a science reading room, a theatre (ingeniously planned for multi-purpose use), and an outdoor theatre devised in the slope of the ground between the new buildings, are to be built in the simplest and most functional manner on a site surrounded by trees although closely connected with some of the earlier buildings. Included in this phase of operations is the modernisation of the boys' living and sleeping accommodation in the old buildings. Further improvements are envisaged, including the building of an art school, indoor swimming pool and a multi-purpose hall. Architects for the first phase of the extensions, estimated to cost some £478,000, are Peter Falconer and Partners. To meet this considerable expenditure, which does not take into account the considerable cost of maintaining existing buildings, the sale of some of the very extensive ground owned by the college is expected to bring £175,000. An appeal is being made for the balance and a Trust has been formed.

HARROW SCHOOL APPEAL

THE governors of Harrow School have launched a £200,000 appeal to commemorate the 400th anniversary of the school's foundation. The money will be used to improve teaching facilities, provide better living accommodation for staff and students, extend the sporting facilities of the school and provide other amenities. The Physics Laboratory, which was officially opened by the Queen at the end of February, are now fully operational. Advance gifts from the governors, those concerned with the launching of the appeal, and others, amounted to more than £150,000, and have been sufficient to pay for the laboratories.

FEWER GOLD ITEMS FOR ASSAY OFFICE

Gold articles handled by the London assay office in October totalled 308,121, compared with 404,706 in the same month of 1970 for a weight of 50,277 ozs (58,421). Silver numbers were 74,733 (68,866) with a weight total of 74,116 ozs (66,089).

O.P. CHOCOLATE LIMITED

Manufacturers of wafer biscuits, bulk chocolate, chocolate novelties and chocolate confectionery.

Unaudited Interim Report for the half year ended 2nd October, 1971

| | 1971 £ | 1970 £ | 1971 £ |
|------------------------------|----------------------|------------------------|------------------------|
| | 6 months to 2nd Oct. | 6 months to 30th Sept. | 12 months to 3rd April |
| Group Sales | 3,469,545 | 3,158,732 | 6,946,223 |
| Group profit before taxation | 260,091 | 218,044 | 504,062 |
| Estimated taxation | 102,000 | 96,000 | 188,260 |
| Profit after taxation | 158,091 | 122,044 | 315,802 |
| Gross Dividend | 80,000 | 60,000 | 180,000 |

1. Taxation has been estimated at 40% (1970—42½%)
2. The Directors have declared an Interim Dividend of 10% (1970 7½%) less Income Tax to be paid on 10 November, 1971 to those Ordinary Shareholders on the Register at 17th November, 1971.

THE ROSE GROUP

INTERIM REPORT

The unaudited results of the Group for the half-year ended 30th June, 1971, and the comparative figures for the corresponding half-year ended June 30th, 1970, are as follows:

| | Half year ended 30.6.71 £ | Half year ended 30.6.70 £ |
|--|------------------------------|------------------------------|
| Turnover (excluding inter-group sales) | 3,110,000 | 2,416,000 |
| Net Profit before Taxation | 164,000 | 134,000 |
| Less: Taxation at 40% (1970—45%) | 69,000 | 67,000 |
| Net Profit after Taxation | 95,000 | 67,000 |

The very satisfactory increase in turnover and Trading Profit in the current half-year compared with the record first half of last year, has been achieved despite the inevitable dislocation and expenses involved in a major changeover to computer accounting. However, the problems have been no greater than were expected, and the new system now appears to be running smoothly and should make its contribution in the future to an increase in administrative efficiency. Trading in the second half of the year continues at a satisfactory level, with the newly-opened units operating profitably. Subject to this trend continuing, net profits of not less than £350,000 (1970—£308,000) before Taxation for the year can be anticipated.

At its meeting on November 10th, 1971, the Board declared an Interim Dividend of 9% (Interim Dividend 8% 1970). Two directors have again waived their rights to receive such dividend. Warrants will be issued on December 17th to Shareholders on the register of the Company on 29th November, 1971.

ROSE & CO. (WALLPAPER AND PAINTS) LTD. YORK.

S & U Stores Limited

Interim report to shareholders

The unaudited results of the group for the half year ended 31st July 1971 are announced as follows:

| | 1971/72 £ | 1970/71 £ |
|-------------------------|--------------|--------------|
| Net profit | 183,306 | 155,432 |
| Less estimated taxation | 73,202 | 66,058 |
| Profit after taxation | 109,804 | 89,374 |

The Board have declared an interim dividend of 6% (5% on the ordinary shares and 10% (10%) on the preferred ordinary shares. The increase in pre-tax profit of 17.7% is considered satisfactory, particularly as the period included the postal strike which affected many other facets of the business quite apart from the mail order side. The improved interim dividend on the ordinary shares is a sign of further progress, and the profit for the full year should reflect this continuing upward trend.

Edgbaston Street • Birmingham 5 • Telephone 021 643 8371

EAST RAND CONSOLIDATED LIMITED

Interim Report

The Directors announce that the unaudited profit of the Company, before taxation, for the six months ended 30th June, 1971, was £122,330 compared with £80,000 for the same period in the previous year. For the full year ended 31st December, 1970, the profit, before tax, was £161,300.

An Interim Dividend of 5% less income tax, was paid on 15th October, 1971, in respect of the year ending 31st December, 1971, and the Directors are confident they will be able to recommend a final dividend of 7½% on the capital as recently increased.

British banks 'should not take equity stakes'

FINANCIAL TIMES REPORTER

U.K. BANKS should not follow the stated that one of the functions German and Japanese pattern and move into taking equity stakes in industrial companies. This is the view of Mr. Eric Faulkner, chairman of Lloyds Bank, in the November issue of the Banker. Mr. Faulkner also describes the thinking behind the merger of Bank of London and South in those two countries, he America with Lloyds Bank argues, there is no real equity Europe, and discusses how Lloyds taking equity stakes through standing international consortia of Midland, Montagu, Industrial banks and from former direct Finance; National Westminster in associations with other European a small way through County banks and continues to do so, as Bank; while Barclays, in its recent we have seen no reason to change reorganisation of group structure, our policy.

Heavy investors

"It is this that has caused German and Japanese banks to become heavy investors in industry. I do not believe in the principle that British banks need more of the two banks whose or should lock up their resources in investments (other of course than in subsidiaries and affiliates in the general banking and financial sphere) which they cannot realise at will."

This view contrasts with the policy of the other three clearing banks: Midland is involved in taking equity stakes through standing international consortia of Midland, Montagu, Industrial banks and from former direct Finance; National Westminster in associations with other European a small way through County banks and continues to do so, as Bank; while Barclays, in its recent we have seen no reason to change reorganisation of group structure, our policy.

Santa Rosa Milling Company Limited (in voluntary liquidation)

Notice is hereby given of the appointment of Lloyds Bank Limited as Registrar.
All correspondence and documents for registration regarding the Share Register should in future be sent to:-

Lloyds Bank Limited,
Registrar's Department,
The Causeway,
Worthing,
Sussex.

Telephone: Worthing 44741 (STD Code 0903)

B. H. Hobson
Liquidator.

South African Distilleries and Wines Limited

Notice is hereby given of the appointment of Lloyds Bank Limited as London Registrars and United Kingdom Paying Agents with effect from 3rd November, 1971.
All correspondence and documents for registration regarding the Share Register should in future be sent to:-

Lloyds Bank Limited,
Registrar's Department,
The Causeway,
Worthing,
Sussex.

Telephone: Worthing 44741 (STD Code 0903)

A. F. W. Harrison
Secretary.

Shop around to beat inflation—Which?

By Elinor Goodman

SHOPPING AROUND rather than buying all her groceries in one shop is the answer for a housewife trying to beat inflation. In June, for instance, a shopper could have saved 84p on 19 frequently purchased branded items if she had always looked for the cheapest shop. This is one of the findings of a survey on grocery prices published in the November issue of *Which?*

The survey was carried out in 1,500 shops, most of them branches of the major multiples such as Sainsbury's and Fine Fare. It showed that a shopper could pay as little as £1.99 or as much as £2.84 for the same items.

Noticeable

For some products, the difference was particularly noticeable. Anchor butter varied from 11p a half-pound to 15p, and the price of Maxwell House coffee ranged from 25p to 35p. Not surprisingly, the *Which?* shopper also found the retailers' own lines generally cheaper than their branded equivalents.

Overall, it was found that buying own-brands in each chain would have meant a saving of about 8 per cent, with Fine Fare and Sainsbury's usually offering the cheapest alternative.

Those two groups were also found to be the least expensive when *Which?* chose the cheapest brand of any item on the shopping list. Mace and VC, the voluntary groups, were the more expensive in each comparison.

For branded items there was very little variation in the total bill at each supermarket chain. The difference between the cheapest (£2.98) and the dearest (£2.41) was only 15p.

There was, however, considerable variation between the prices in different regions. The further north shoppers went, the more they paid. Branded goods were 3 per cent more expensive in Scotland than in London and the South, and own-brands were 4 per cent dearer in Scotland.

The November issue of *Which?* also includes surveys on dishwashers, paraffin heaters, tea-maker alarms, and semi-permanent hair colourants.

Big growth in haulage seen on Six entry

By Ray Dafter

A MARKETING guide for hauliers, just published, says it is reasonable to expect that traffic between the U.K. and Europe will at least double within five years of entry into the EEC.

"The increase will come about not only because of the abolition of tariffs but because of the dynamic situation that a free market of 250m. creates," says the report, the *British Road Haulier in Europe*, published by Freight Information Services.

While the growth rate of unit load traffic between the U.K. and Western Europe has been much higher than the rate of growth of total trade (united traffic rose by 73 per cent between 1968 and 1970 compared with a 31 per cent increase for total trade) FIS believes that the gap is closing.

Future competition would be between different types of unit loads such as trailers and containers rather than between unit loads and conventional shipping methods.

While there was a determination to protect Rhine shipping and German, French and Italian railways by controlling the growth of national and international road haulage, there were still expansion opportunities for British hauliers.

On joining the EEC, Britain should automatically qualify for at least 286 Community quota permits.

The *British Road Haulier in Europe: Freight Information Services, Formby, Liverpool L57 2JY, £2.*

'Air freight to overtake deep-sea containers'

By Ray Dafter

A FORECAST that deep-sea containerisation will not last for more than one or two decades is made by Mr. T. S. Roberts, port director of the British Transport Docks Board's South Wales ports in the latest issue of the Board's journal *Docks*.

He expresses relief that ports were not heavily committed to the container business which in a matter of 10 or 20 years was likely to be overtaken by air freight.

Railways

"A comparable case was the failure of the railways to retain their 'smalls' traffic prior to World War II by containerising it. It seems to me that the writing is already on the wall with respect to the long-distance sea transport of general cargo, just as the passenger liner has yielded to the airliner," he says.

The forecast makes interesting reading at a time when the Board—like other port authorities—is spending considerable amounts on providing facilities for deep-sea container services. At Southampton about £20m. will have been spent on such facilities by the time the Far East container berths are completed at the end of 1972.

Mr. Roberts says the South Wales ports had concentrated on

specialised trades, like timber, fruit, iron and steel goods, rather than making a vain chase after miscellaneous cargo.

He also forecast that the coast between Barry and Chepstow would become a Maritime Industrial Development Area (MIDA) with large-scale port and industrial development. "It has started at Llanwrn with the Spencer Steelworks but how quickly this grows will depend on whether it is left to develop naturally or is artificially stimulated."

There was already a typical MIDA situation in West Wales in the Swansea-Port Talbot area. He could also foresee that before the turn of the century the tidal harbour at Port Talbot would be used not just as an ore terminal but for other bulk traffics as well.

Mr. Roberts doubted whether Britain's entry into the Common Market would affect South Wales ports injuriously. "The steel industry supports Britain's entry and as they are one of our principal customers we can expect to be playing an active role with them."

"With the congestion in the English Channel and the more difficult approaches to Antwerp and Rotterdam, it could well be that this estuary, including Milford Haven, could play an even greater part than it does at present," he added.

Eden to open Derbyshire estate

By Our Own Correspondent

CHESTERFIELD, Nov. 10. SIR JOHN EDEN, the Minister for Industry, is officially to open Derbyshire's Codnor Gate industrial estate where, in under two years, all but a handful of sites have been earmarked for new factories.

Only six or seven acres of the 55-acre estate are still not reserved, and seven major developments are either completed or scheduled.

Codnor Gate, between Ripley and Heanor, in the Erewash Valley intermediate area, was purchased by the county council in 1969 to meet demands for land for immediate development.

Sir John's visit on November 23 will provide an opportunity for representatives of the county council and the county industrial development committee to discuss future patterns for industrial and commercial growth and the changing requirements for industry and commerce.

Major changes urged in nationalised industries

FINANCIAL TIMES REPORTER

SIGNIFICANT CHANGES in the structure of the U.K.'s nationalised industries are called for in a new Political and Economic Planning report, published today.

The report, the product of a study carried out by Professor David Coombes, with the help of a grant from the Wolfson Foundation, suggests that there should be a general reorganisation of the main nationalised industries.

National stake

The author, Professor of European Studies at Loughborough University of Technology, suggests that the existing nationalised industries should be replaced by State holding corporations representing the nation's financial stake in the undertakings themselves should be set up as ordinary joint-stock companies.

Prof. Coombes outlines three main aims for his proposals. He suggests that clearer criteria should be available for judging

the performance of single undertakings; that the tasks of Government departments in this sector should be reduced; and that the managers of the nationalised industries should be protected from disruptive political changes.

The Professor insists that nationalisation has ceased to be meaningful as a description of a form of State intervention, and that it is possible that the original purposes were unclear.

The basic problem, Prof. Coombes suggests, is that the objectives of nationalisation are uncertain. There is disagreement about whether State ownership is an end in itself, a means of controlling the economy, providing social services, or running basic industries more efficiently.

In that situation, he maintains that political intervention cannot be avoided, but he argues—and the chairmen of the nationalised industries would agree—that the industries need to be operated as businesses rather than as Government bureaucracies.

Although planning and control main aims for his proposals. He suggests that clearer criteria should be available for judging

operation of these industries should be protected from influence, Prof. Coombes says. He maintains that competition between the State industries and private owned enterprises, is desirable and that the State should have ready access to open capital markets, combined with a mixture of public and private ownership. His central theme, however, is that the State ownership in public enterprises should be clearly defined.

Easier task

By replacing the existing nationalised industry Boards with holding corporations and changing the undertakings themselves into joint-stock companies, better conditions would be created weighing their performance.

In addition, there would be substantial and desirable changes in the tasks of Government. Prof. Coombes suggests, and change would also be healthy for the working of a two-party system of democracy.

State Enterprise—Business Politics? published by PEP George Allen and Unwin, £3.50

Coroners' juries should no longer name suspects—report

FINANCIAL TIMES REPORTER

CORONERS' JURIES will no longer be allowed to name people who commit murder, manslaughter or infanticide if the Government accepts the recommendations of the Brodrick Committee, whose report was published yesterday. Nor will coroners be obliged to commit named people for trial, as they are now.

The committee, which also makes recommendations about human transplant problems, was appointed by the Wilson Government in March, 1965, under chairman Mr. Norman Brodrick, QC. He became an Old Bailey judge in 1967.

Minimal

The 418 page report urges that coroners should avoid making any statement directly implying that a dead person—thought by the police to be a murderer—was in fact responsible for the death of the person on whom the inquest is being held.

The practical value of the coroner's duty to inquire into the identity of killers—as a factor leading to the successful prosecution of offenders who might otherwise evade justice—was minimal. It and the jury's right to name suspects "are survivals from a

time when the coroner's inquest was a substantial part of society's defence against crime," says the report. They survive from a time when the present system of investigation of crime by the police and of criminal trial by examining magistrates did not exist.

The strongest argument in favour of abolition of the duties "is that they are incompatible with present-day concepts of justice." The "inquisitorial nature" of a coroner's proceedings places a suspected person in a position "of considerable disadvantage."

The report offers him protection "much inferior to that which he could expect in a magistrate's court."

The committee says a coroner should confine his inquiry to ascertaining and recording the facts—medical and circumstantial—which caused or led up to a death. To replace the present system of "naming" people, he should be able to conclude his inquest and refer his papers to the Director of Public Prosecutions "at any stage in the proceedings that seems most appropriate."

The right to attach a rider to

the findings of a coroner's jury should be abolished.

To prevent recurrence of a fatality, a coroner would be the right to refer the problem to an appropriate expert or public authority.

The committee puts forward "blueprint" for coroners face with transplant requests, says a coroner should not object in principle to transplant operations.

"It is not his function to place obstacles in the way of the development of medical science, or take moral or ethical decisions."

Unfettered

The committee considered the moment of death was a question of clinical judgement and a matter for the coroner's jury. A coroner should be left with completely unfettered discretion on whether to hold an inquest.

If he did decide to do so, he should always make the full possible inquiry and hear evidence from the doctor or doctors who took the clinical decision that a donor was no longer alive.

Report of the Committee on Death Certification and Coroners' Juries, SO, £3.35

Philips lighting gives the rainbow a new shape.

ROYGBIV. Richard of York gave battle in vain! Remember that enigmatic phrase? Red, Orange, Yellow, Green, Blue, Indigo, Violet.

That's the way some of us were taught to remember the colours of the rainbow.

So we came to think of the rainbow as a band of simple colours. In fact, there's a lot more to light than that and this model has been built by Philips research people so that they can study the connection between colour and levels of light. Like why all blue flowers look better in the dusk.

Philips spend millions every year in a mammoth research programme so that Philips can look at light in terms of the ways in which it is used.

How to make our roads safer, for one thing. We developed the new lighting which is making motorways like the M62 and the Midlands Link Motorway so much safer and less tiring to drive

on at night. And we developed tungsten-halogen auto bulbs for headlamps, spot and fog lamps so that drivers can see more clearly than ever before as they leave the well-lit sections for the dark stretches of unlit roads and motorways.

Turning night into day on the roads is only one place where Philips are constantly improving lighting standards.

We do it everywhere! In the home or office. In hotels, shops, fine assembly lines or massive fabrication bays. Philips have almost every type of lighting equipment to meet those specific lighting needs. And the experts who know how to apply it, how to plan a lighting system to make the most efficient and economic use of our expertise.

Want to put our experts to work for you? Just write to us at: Philips Electrical Limited, Lighting Division, City House, London Road, Croydon CR9 3QR.

We want you to have the best. **PHILIPS**

WALL STREET + OVERSEAS MARKETS

Low falls 11.76 to near 1971 low

BY OUR WALL STREET CORRESPONDENT

PRICES DROPPED to near record lows for the year on Wall Street to-day, when losing issues led gains by about three-to-one in moderate trading.

The Dow Jones Industrial Average fell 11.76 to 826.15, which was only 0.29 above the 1971 low recorded on November 1, while the NYSE All Common Index tumbled 30.50 cents to 100.13. Trading volume further expanded 1.33m. shares to 13.41m.

Special emphasis was given to the fact that investors are sceptical as to whether the new Kennedy Phase of the Nixon Economic Stabilisation Plan can be administered properly.

Guidelines announced late in the afternoon by the Cost of Living Council failed to put life into the Stock Market.

Mr. Donald Rumsfeld, C.I.C. chairman, said firms with 5,000 or more employees must give pre-announced pay increases, and firms with sales of over \$100m. must give advance notice of price increases. Public Utilities did not receive an exemption. Utilities may get special treatment from the Pay Board and Price Commission later, he said.

Investors remained on the sidelines and will likely stay there until after the Miami meeting of the AFL-CIO leaders next week.

Analysts said to-day's Stock Market fall was a technical one based mostly on the market's inability to hold the \$40 level on the Dow Jones Industrial Average and its failure to return to that level once dropping below it. One technician said bargain hunting probably will not come into play until after the Dow passes the \$30 level.

Natamels fell \$3 to \$81, Bausch and Lomb dropped \$1 to \$174, and Levitz Furniture was lowered \$5 to \$100 on a Press report that its 30 cent annual growth rate may not be sustainable.

Steels and Motors closed mostly lower. Ford gave way \$1 to \$69, Chrysler lost \$1 to \$26, as did General Motors to \$77.

Amerasia Hess were lowered \$3 to \$391 on turnover of 10,000 shares. A large block late in the day was responsible for most of the decline. The Preferred dropped \$7 to \$81 on volume of 155,700 shares.

Chemicals and drugs also were lower. Dow Chemical were down \$1 to \$89 and Eli Lilly declined \$1 to \$52.

Airlines were active and mostly lower. Trans World Airlines slipped \$1 to \$241. Atlantic said it filed lower transatlantic fares that are in line with those set by Lufthansa.

Banks, however, finished mostly higher. First National City added \$1 to \$241 and Chase Manhattan rose \$1 to \$54. After the market closed seven Federal Reserve banks cut their discount rates to 4 1/2 per cent from 5 per cent.

Armstrong Tire and Rubber shed \$1 to \$373, Firestone \$1 to \$251, Uni-Royal \$1 to \$174 and General Tire \$1 to \$221.

OTHER MARKETS

Canada down

Canadian Stock Markets moved downwards in very light trading yesterday. On index, Western Oils fell 3.31. Golds reacted 3.30. Industrials gave way 0.35. Papers dipped 0.91. Utilities lost 0.56 and Banks shed 0.03. Only Base Metals, up 0.33, moved against the general trend.

Superfund, however, advanced \$3 to \$45 and Canadian Tire added \$1 to \$34. Canadian General Investments eased \$1 to \$63. Falconbridge Nickel yielded \$1 to \$62 and Assamora also lost \$1 to \$13.

AMSTERDAM — Internationals were mixed. Local Industrials, Shippings and Plantations were also mixed, but Banks firmed. Heineken put on \$1.2, as did Naarden-chemie.

STOCKHOLM — Weak tendency. MILAN — Market closed irregularly to lower. Montedison fell \$1.52 but Bostigli firmed \$1.2. Fiat shed \$1.9, Saia Viscosa declined \$1.5. Finsider gave

way \$1.25. Pirelli were down \$1.19 and Italcementi fell \$1.45.

Assicurazioni Generali further declined \$1.75 in Insurances. GERMANY — Markets continued to advance although at a slower rate than on Tuesday, with most issues gaining about DM2.

Wegmanns, Astor, Siemens and AEG each put on DM2.10. Banks were again strong, with Deutsche Bank up DM5.10. In Motors, Daimler rose DM4.50.

Bonds were very steady, with Public Issues rising up to 1 point. Gold declined, profit-taking continued. All sectors advanced in active trading, with several gains of 4 per cent or more.

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INDICES

NEW YORK

DOW JONES AVERAGES

| Line | Home | Trans. | Indus. | Util. | Trading |
|------|-------|--------|--------|--------|---------|
| 10 | 72.56 | 226.78 | 826.15 | 113.43 | 13,410 |
| 11 | 72.56 | 226.78 | 826.15 | 113.43 | 13,410 |
| 12 | 72.56 | 226.78 | 826.15 | 113.43 | 13,410 |
| 13 | 72.56 | 226.78 | 826.15 | 113.43 | 13,410 |
| 14 | 72.56 | 226.78 | 826.15 | 113.43 | 13,410 |
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| 29 | 72.56 | 226.78 | 826.15 | 113.43 | 13,410 |
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| 63 | 72.56 | 226.78 | 826.15 | 113.43 | 13,410 |
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| 66 | 72.56 | 226.78 | 826.15 | 113.43 | 13,410 |
| 67 | 72.56 | 226.78 | 826.15 | 113.43 | 13,410 |
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| 79 | 72.56 | 226.78 | 826.15 | 113.43 | 13,410 |
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STANDARD AND POORS

U.S. STOCK INDICES

| Nov. 10 | Industrial | Composite |
|---------|------------|-----------|
| 10 | 102.83 | 82.41 |
| 11 | 102.83 | 82.41 |
| 12 | 102.83 | 82.41 |
| 13 | 102.83 | 82.41 |
| 14 | 102.83 | 82.41 |
| 15 | 102.83 | 82.41 |
| 16 | 102.83 | 82.41 |
| 17 | 102.83 | 82.41 |
| 18 | 102.83 | 82 |

F.T.—ACTUARIES SHARE INDICES

Indices are the joint compilation of The Financial Times, The Institute of Actuaries and the Faculty of Actuaries in Edinburgh

| TY GROUPS & SUB-SECTIONS | Wednesday, Nov. 10, 1971 | | | | | Tues. Nov. 9 | | Mon. Nov. 8 | | Friday Nov. 5 | | Thurs. Nov. 4 | | Year open (approx) | | Highs and Lows Index | | | |
|---|--------------------------|----------------|--------------------------|---------------------------|--------------|--------------|-----------|-------------|-----------|---------------|--------|---------------|--------|--------------------|--|----------------------|--|--|--|
| | Index No. | Day's Change % | With 40% Corporation Tax | | Div. yield % | Index No. | Index No. | Index No. | Index No. | Index No. | 1971 | | | Since completion | | | | | |
| | | | Est. Earnings yield % | Est. Price Earnings Ratio | | | | | | | High | Low | High | Low | | | | | |
| | | | | | | | | | | | | | | | | | | | |
| ... after sectional transfer show number of stocks. | | | | | | | | | | | | | | | | | | | |
| GOODS GROUP (184) | 157.39 | +0.7 | 5.10 | 16.40 | 5.78 | 156.36 | 155.81 | 155.52 | 157.05 | 117.45 | 163.00 | 103.05 | 151.50 | | | | | | |
| ... d Components (3) | 133.51 | +1.1 | 7.94 | 18.59 | 4.67 | 132.09 | 131.78 | 131.31 | 134.97 | 91.50 | 144.00 | 80.00 | 125.00 | | | | | | |
| Materials (29) | 184.15 | +0.3 | 4.51 | 18.78 | 3.33 | 163.64 | 163.43 | 162.94 | 164.93 | 100.00 | 167.35 | 96.30 | 157.98 | | | | | | |
| ... g and Construction (20) | 265.25 | +0.3 | 5.17 | 18.35 | 3.32 | 264.39 | 264.60 | 264.69 | 267.85 | 184.15 | 275.06 | 153.63 | 278.06 | | | | | | |
| ... x. Electr. Rad. & TV (13) | 270.86 | +0.5 | 5.34 | 19.06 | 3.07 | 269.04 | 264.81 | 263.47 | 269.32 | 200.28 | 268.33 | 174.58 | 325.11 | | | | | | |
| ... ing (79) | 138.71 | +0.3 | 6.58 | 14.46 | 4.40 | 137.58 | 137.41 | 137.37 | 137.74 | 113.90 | 149.28 | 102.56 | 160.85 | | | | | | |
| ... ools (15) | 65.77 | +0.7 | 7.58 | 15.19 | 6.37 | 65.44 | 63.85 | 63.43 | 65.76 | 63.91 | 64.00 | 63.00 | 63.00 | | | | | | |
| ... ous (25) | 135.22 | +1.4 | 7.80 | 12.83 | 4.39 | 133.37 | 133.39 | 133.40 | 133.74 | 111.93 | 135.20 | 94.19 | 144.27 | | | | | | |
| R GOODS | | | | | | | | | | | | | | | | | | | |
| E GROUP (57) | 180.00 | +1.1 | 4.34 | 23.03 | 2.95 | 178.08 | 176.36 | 176.25 | 178.05 | 120.59 | 185.09 | 117.35 | 177.87 | | | | | | |
| ... s. Radio and TV (14) | 184.10 | +1.4 | 4.03 | 24.88 | 2.35 | 181.84 | 179.77 | 179.65 | 182.69 | 147.78 | 189.14 | 128.51 | 195.89 | | | | | | |
| ... s Goods (15) | 200.99 | +0.4 | 5.64 | 17.73 | 3.28 | 200.49 | 207.52 | 208.41 | 208.99 | 147.78 | 209.29 | 115.98 | 209.29 | | | | | | |
| ... d Distributors (28) | 128.00 | +1.0 | 4.32 | 23.18 | 5.48 | 124.76 | 125.94 | 125.22 | 123.78 | 94.69 | 126.83 | 75.91 | 170.59 | | | | | | |
| R GOODS | | | | | | | | | | | | | | | | | | | |
| ABLE GROUP (174) | 160.50 | +1.1 | 5.63 | 17.77 | 3.81 | 158.38 | 157.95 | 158.45 | 160.99 | 120.06 | 172.37 | 118.17 | 172.37 | | | | | | |
| ... s (20) | 179.34 | +0.6 | 6.60 | 17.85 | 3.60 | 178.23 | 177.49 | 179.82 | 183.24 | 128.35 | 189.14 | 128.51 | 195.89 | | | | | | |
| ... d Spirits (7) | 162.33 | +2.0 | 6.38 | 16.01 | 4.32 | 159.40 | 159.02 | 157.82 | 162.88 | 136.56 | 165.05 | 142.41 | 165.05 | | | | | | |
| ... ment and Catering (16) | 236.51 | +0.9 | 5.72 | 17.49 | 3.82 | 234.00 | 236.06 | 235.83 | 238.61 | 175.15 | 240.11 | 177.99 | 241.63 | | | | | | |
| ... nufacturing (34) | 143.05 | +0.6 | 5.67 | 17.94 | 3.81 | 142.18 | 129.70 | 140.06 | 141.77 | 101.81 | 140.11 | 94.74 | 140.11 | | | | | | |
| ... ailing (17) | 151.56 | +1.1 | 5.31 | 13.84 | 3.35 | 149.69 | 149.87 | 150.39 | 150.67 | 98.60 | 160.89 | 100.23 | 165.88 | | | | | | |
| ... s and Publishing (15) | 151.40 | +0.9 | 5.73 | 17.46 | 4.64 | 150.31 | 150.84 | 150.85 | 151.59 | 107.40 | 156.23 | 100.36 | 156.86 | | | | | | |
| ... s and Paper (16) | 110.07 | +1.2 | 7.01 | 14.26 | 4.78 | 108.81 | 106.37 | 109.30 | 110.61 | 104.56 | 110.57 | 90.81 | 101.81 | | | | | | |
| ... (9) | 158.87 | +1.0 | 6.47 | 22.37 | 5.11 | 151.81 | 151.81 | 152.56 | 153.89 | 108.74 | 164.28 | 104.48 | 164.89 | | | | | | |
| ... (21) | 168.94 | +3.8 | 3.99 | 16.51 | 5.25 | 168.96 | 161.33 | 162.15 | 166.28 | 126.78 | 183.27 | 137.81 | 205.72 | | | | | | |
| ... (3) | 212.33 | +1.7 | 10.29 | 9.78 | 6.32 | 206.71 | 210.27 | 212.78 | 215.96 | 180.99 | 254.47 | 170.92 | 217.85 | | | | | | |
| Games (6) | 62.56 | +0.7 | 0.76 | — | 2.85 | 62.18 | 62.02 | 61.68 | 61.63 | 64.06 | 69.03 | 44.90 | 135.73 | | | | | | |
| GROUPS | | | | | | | | | | | | | | | | | | | |
| ... s (19) | 176.27 | +0.1 | 5.62 | 17.80 | 3.72 | 176.05 | 173.64 | 172.25 | 177.71 | 158.47 | 200.89 | 138.19 | 201.98 | | | | | | |
| ... uipment (10) | 168.25 | — | 5.90 | 35.52 | 1.78 | 168.78 | 166.75 | 167.97 | 171.18 | 145.54 | 212.05 | 155.58 | 215.05 | | | | | | |
| ... (10) | 515.51 | +1.6 | 8.94 | 13.44 | 5.83 | 510.57 | 510.11 | 518.44 | 514.91 | 297.01 | 532.60 | 269.76 | 325.44 | | | | | | |
| ... ous (unclassified) (44) | 192.64 | +0.4 | 5.46 | 18.32 | 3.57 | 191.90 | 192.12 | 192.77 | 192.83 | 135.68 | 191.65 | 125.55 | 192.83 | | | | | | |
| AL GROUP (49% SHARES) | 166.54 | +0.8 | 5.69 | 17.92 | 3.85 | 165.18 | 164.47 | 164.51 | 166.92 | — | 176.61 | 120.61 | 176.61 | | | | | | |

ENGINEERING AND METAL—Gen. Cont. **HOTELS AND CATERERS—Con**

[illegible]

L (Miscell.)—Continued

[illegible]

HINDSIRANCE

| PROPERTY—Continued | | | | | | | | | | | |
|--------------------|-----|------|-----|-------|-----|-----|-----|-----|-----|-----|-----|
| | | 1972 | | Stock | | +/- | | +/- | | +/- | |
| | | High | | Low | | +/- | | +/- | | +/- | |
| 158 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 159 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 160 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 161 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 162 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 163 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 164 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 165 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 166 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 167 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 168 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 169 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 170 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 171 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 172 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 173 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 174 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 175 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 176 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 177 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 178 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 179 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 180 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 181 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 182 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 183 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 184 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 185 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 186 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 187 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 188 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 189 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 190 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 191 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 192 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 193 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 194 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 195 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 196 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 197 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 198 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 199 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 200 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 201 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 202 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 203 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 204 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 205 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 206 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 207 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 208 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 209 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 210 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 211 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 212 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 213 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 214 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 215 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 216 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 217 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 218 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 219 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 220 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 221 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 222 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 223 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 224 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 225 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 226 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 227 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 228 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 229 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 230 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 231 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 232 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 233 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 234 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 235 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 236 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 237 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 238 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 239 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 240 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 241 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 242 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 243 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 244 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 245 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 246 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 247 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 248 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 249 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 250 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 251 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 252 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 253 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 254 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 255 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 256 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 257 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 258 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 259 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 260 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 261 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 262 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 263 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 264 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 265 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 266 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 267 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 268 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 269 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 270 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 271 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 272 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 273 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 274 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 275 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 276 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 277 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 278 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 279 | 2.6 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 280 | 2.6 | 2.0 | 1.0 | 1.0 | | | | | | | |

SECRET

[illegible]**PRINTS FINANCE (AND—Contd.)**[illegible]

TEAS—Continued

[illegible]

For Notes, see Stock Exchange Dealings.

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Lombard

Why U.S. needs new financial leadership

BY C. GORDON TETHER

THE MOST valuable contribution to the international financial debate to have come from the American side so far is the suggestion by Congressman Reuss that President Nixon should replace Mr. Connally with Mr. Arthur Burns as Washington's chief international monetary negotiator.

Mr. Reuss contended that Mr. Connally had not demonstrated the attitude required for the U.S. to be able to enlist the co-operation of old friends and allies in working out urgently needed international monetary reforms. This, itself, of course, is a statement of the fact that the U.S. has not been able to lead the world in the monetary field. For the fact has to be faced that the effect of the Connally approach has been to alienate other countries to such an extent that some of them would evidently now be prepared to see the world's economy go into a downward spin rather than yield to what they see as American dictation. Yet there is, I believe, even more to it than that.

Vague talk

What is also becoming more and more apparent is that Mr. Connally has little grasp and understanding of the facts of international financial life and it is going to be very difficult to conduct a meaningful dialogue with the U.S. so long as he is heading the American negotiating team. He informs the world that the import surcharge and other offensive weapons will remain in operation until there has been a "satisfactory" response from the outside world to American demands. But when the obvious question—what is a satisfactory response?—is asked, nothing resembling an adequate answer is forthcoming.

The air is full of vague talk about exchange adjustments and the redistribution of international burdens. And along with this comes the suggestion that if the outside world does not come up with the right overall mix, the U.S. will proceed to divide and conquer by doing bilateral deals with those countries that can be pressured into submission. But nothing more constructive than that.

Incapable

The magazine "Politics and Money" sees this as "a process of rough pushing and bluffing in which the Americans are trying to cause the determination with which other countries mean to defend their interests." And no doubt there is something in this. But an equally plausible explanation of this continuing American refusal to engage is that given its present leadership the U.S. is incapable of painting a picture of the new international monetary structure that it wants to see erected.

It is, of course, one thing to harp upon the defects in a system that has not worked in the way you would have liked and quite another to suggest what ought to take its place, especially when—as in the American case—this would mean ringing round the unwelcome of some of the considerations that made the previous one so distasteful to you. And as many have demonstrated through history, the best way to conceal one's inability to articulate without losing face is to encourage others to do all the talking, parrying the awkward question when it does come with the remark: "You tell me!"

Prejudice

If the U.S. is to begin to resolve its differences with the rest of the world, it must have spokesmen who not only have the right attitude to which Congressmen Reuss referred but can also talk meaningfully of the problems involved because they comprehend them. There is a clear indication of how far Mr. Connally measures up to the second part of this requirement as can be seen in the fact that he has never once referred to the part that can be pressured into submission without losing face is to encourage others to do all the talking, parrying the awkward question when it does come with the remark: "You tell me!"

THE LEX COLUMN

Implications of Courtaulds' resilience

A pre-tax drop in the first half from £17.8m. to £16.2m. from Courtaulds relieved the market of its worst fears, though given no actual deterioration in its markets, a slowdown in the rate of profits decline was the order of the day. The latest sequence of three half yearly declines reads 27 per cent, 12 per cent and now 9 per cent. What may have particularly impressed the market is that the trading surplus before depreciation and interest is actually up £1.2m. to £39.9m. The possibility encouraging aspect here is that the difference of £2.8m.—in itself a simple reflection of the increasingly capital intensive nature of the group—can be seen as a development expense yet to be recuperated in plant efficiency. The absence of a forecast, meanwhile, seems natural enough given that precious little can have happened since July to give the group any further confidence in a second half UK upturn.

These results in any case seem to confirm Courtaulds'

internal resistance to poor conditions. It has now seen stag-nant prices for over two years, together with stagnant volume in the U.K. reflected in a rise of merely 4 per cent. in home sales since 1969. And as for other victims of the price war in fibres, a 37 per cent. first profit drop from Hoechst and one of 16 per cent. from AKZO are only two of a long list. As to the right rating for the shares, there are two diverse camps of view. Both would probably accept that this year stands to show a pre-tax total of perhaps £39m. against £41.7m. for a p/e of around 15½ after yesterday's 8p rise to 121p. That is probably fair on a compromise between the two extremes, on the lines that even if we assume no quick end to the price war, the plant capacity gearing of the group gives the required upside potential.

B & C Shipping

British and Commonwealth Shipping always looked capable of holding its own this year, but

it has done a little better than that at the half-way stage with net attributable profits up from £2.14m. (this excluding a dividend attributable to 1969) to £2.44m. With franked investment income showing little change so far the main impetus has come from the trading side, with operating profits up from £1.94m. to £2.24m. Here, the For the full year, excluding the recently acquired controlling interests in Air Holdings and Tasmanian Board Mills (but cum £500,000 of dividend income from AEH against £420,000, which might be preferable to consolidation in year like 1971) the forecast is earnings only marginally higher than last year's £4.23m. There may be a hint of conservatism in that: shipping is way off peak in July/December, partly due to B and C's South African passenger trade and partly because deciduous fruit carrying is a big contributor on good margins in the first half with citrus coming in at the same volume, but much lower margins in the second. How-

ever, there should be some improvement in trading over the year, plus a further gain in franked investment income to keep the shares healthy at 205p, up 13p last night and backed by marketable investments worth something like 200p a share.

Unilever

Unilever's third quarter performance—earnings £8.6m. higher at £26.6m.—is usefully better than most expectations and shoots the nine months figure up £17.4m. to £75.3m. But the problem for the shares yesterday, with Ltd. up 8p to 315p, was how to interpret an apparently deteriorating sales trend and the forecast of a lower rate of profits growth in the final three months. The third quarter sales rise is just 3 per cent. after an 11 per cent. rise in the first half, and the final quarter last time it was a recalled, was the weakest of the year including what looked like sizeable, and unfavourable, year-end adjustments. Yet although lower edible oil

prices can only have had a marginal impact on the sales level, the promised cutbacks in unprofitable turnover have made a difference and there is no evidence of a noticeable downturn in margins or a deterrent volume. As for the forecast, the Nestle link may be accounting for the seasonal element in frozen food sales, particularly on ice cream, reversing the pattern prior to 1970 when the final three months tended to make at least as much as either of the two previous quarters. The same applies to NV's tax play, and it may still be unwise to look for 1971 earnings of more than £96m. against £75m. We are left with a prospective p/e of perhaps 12½, that much less to come in rationalisation gains but no obviously vulnerable areas for 1972.

Chubb

A first half profits rise of under 5 per cent. to £1.8m. pre-tax on a sales increase of 28 per cent. left Chubb unmoved in the market at 111p yesterday, so the two current problem areas need to be temporary. One

day, so the two current problem areas need to be temporary. One Australia, looks safe enough with profits in the last two months after losses in the first four. The other—the Lips and Gipsen acquisition which made a negligible net contribution—is more problematical: it has been losing money in Italy, which represents about a quarter of its sales. These apart, a 9 per cent. sales rise left profits nearly 15 per cent. higher, and the fire equipment side takes most of the credit after a profits increase of perhaps £200,000 or more. Pyrene is moving out of the recovery category, at last, but there is rationalisation scope to come with, for example, fire extinguishers currently being produced in three different factories. With a better trend in the current half, prospective earnings of say 6.5p per share on average capital against 6.1p would leave a p/e of 17 finely balanced between the perennial growth hopes and a stagnant performance over the past 12 months.

Two week delay possible for monetary talks

BY ROBERT MAUTHNER

PARIS, Nov. 10.

THE crucial Finance Ministers' meeting of the Group of Ten, which was due to have been held in Rome on November 22 and 23 to try to find a solution to the international monetary crisis, will almost certainly be postponed for anything up to two weeks.

It was learnt here to-day that a proposal to this effect has been made by Mr. John Connally, the U.S. Secretary of the Treasury, to the other nine interested countries following last week's failure of the Common Market Finance Ministers to agree on their own contribution to the general realignment of parities. What is not clear, however, is whether the original initiative put off the talks came from the Americans. At the meeting of the Six's Finance Ministers in Versailles last Thursday, several of France's partners were reported to have expressed the opinion that it would be pointless to go to Rome without a detailed common position on the parity realignments which the Six themselves were prepared to make.

More time

One theory here to-night is that Mr. Connally was merely reacting to suggestions from some of the Six, notably Italy and the Benelux countries, that they should be given more time to work out a common position.

The French, though, have lately shown much more interest in finding a global solution to the international monetary crisis than in presenting the U.S. with the common European front in Rome, mainly because they feel that the first move should come from the Americans.

The French have all along been ready to hold the meeting on November 22 and 23 in Rome, where they hoped to make the Americans lay their cards on the table.

Indeed, M. Valéry Giscard d'Estaing has lately gone out of his way to stress that until the U.S. had clarified its own position, there could be no real negotiations. He also emphasised after the Versailles meeting that the Six were agreed on at least one important point of principle—that a general realignment of parities must necessarily include a moderate devaluation of the dollar.

French officials are more inclined to postpone the Rome proposals to postpone the Rome meeting as an attempt to force the Six to have another go at working out a detailed common position before the full-scale Group of Ten discussions. They may hope that, following the important meeting of the Common Market's Council of Ministers and, possibly, a summit meeting between President Pompidou of France and Herr Brandt, the West German Chan-

cellor, at the end of this month, or the beginning of December, the Six will have come closer to reaching agreement.

It is not at all certain, however, whether the new timetable of international meetings on monetary problems will come to the Americans' aid.

One of the alternative dates which Mr. Connally is reported to have suggested for the Group of Ten meeting is November 30, but this is the very day on which the Common Market's Council of Ministers is due to meet in Brussels.

Possible dates

The other dates suggested by Mr. Connally (December 7 and 8), although they appear to be more acceptable to the Six, would not necessarily precede a Pompidou-Brandt meeting. A French Government spokesman said that the Franco-German summit would take place either in the last days of November or early December, but he left open the exact date. It has all along been emphasised in Paris that President Pompidou would prefer to meet Herr Brandt after the Group of Ten meeting.

At the same time, it is becoming increasingly obvious that the U.S. is convinced that time is on its side and that, in waging a war of attrition, it hopes to bring the recalcitrant Europeans to heel in the long run.

Bonn disappointed: anxious for Six to meet U.S.

BY MALCOLM RUTHERFORD

BONN, Nov. 10.

SOURCES CLOSE to Professor Schiller, the West German economics Minister, again insisted to-day that considerably more progress was made at last week's meeting of Common Market Finance Ministers at Versailles than has been presented in the Press.

It is for this reason that the Economics Ministry reacted with some disappointment to the American suggestion that the meeting of the Group of Ten be postponed.

Next step

The feeling in the Ministry is that the Six have done all the negotiating they reasonably can among themselves, and that the next step must be talks with the Americans as soon as possible. Although Prof. Schiller's officials seem bound by a personal oath to the Minister not to disclose what happened in Ver-

sailles, it appears that everything depends on the request to Mr. Connally to be made at the Group of Ten meeting that the dollar be devalued against gold as part of a general package settlement. Prof. Schiller is understood to believe that Britain will associate itself with the Common Market request after his talks with Mr. Barber, the Chancellor of the Exchequer, in London yesterday.

If the Americans say "yes," the settlement will not be reached immediately. Instead, the Six will then retire to try to agree among themselves on further joint proposals on trade policy, for the Germans at least appear to accept that monetary measures alone will not be sufficient to persuade the Americans to remove the 10 per cent. import surcharge.

But if the Americans again say "no" to a devaluation of the

dollar against gold, as Mr. Connally did in his speech to the International Monetary Fund in September, German sources admit that whatever agreement has been reached among the Six would tend to break down. It is not clear whether the Six have an agreed joint fall-back position.

No attempt is being made by the Germans officially to sound out Mr. Connally on the gold/dollar relationship before the Group of Ten meeting, which is another reason why the Ministry is so anxious about the postponement.

Peter Tumiati writes from Rome: The American request for a postponement of the Group of Ten meeting has not been unfavourably received here, particularly because the American Treasury has suggested two other possible dates and is not seeking an indefinite postponement.

London Weekend profit £414,000

BY KENNETH GOODING

THANKS mainly to a sharp drop in the television levy payment, London Weekend Television made a trading profit of £414,000 in the year to July 25 compared with a £39,000 loss in the previous 12 months.

Giving this news yesterday, the annual report also discloses that three of the LWT executives who left early this year shared £24,846 as compensation for loss of office.

It also shows that Mr. John Freeman, former British Ambassador in Washington who is now chairman and chief executive of LWT, is getting a salary running at an annual rate of just under £14,500.

The three executives who received the compensation were Dr. Tom Margerison, former chief executive, Mr. Guy Paine, assistant chief executive, and Miss Stella Richman, controller of programmes.

They left shortly after Australian newspaper owner Mr. Rupert Murdoch, head of the News of the World Organisation in the U.K., became LWT's biggest individual shareholder by

company. "Inevitably the events which preceded and surrounded these changes in Board and management impaired the company's performance as well as damaging its public reputation," states Mr. Freeman in his comments on the year.

He says the upheaval at the beginning of 1971 "has left LWT's programme 'stagnant'."

"Dangerously low," he says, "the company still has to make almost all its programmes to meet transmission deadlines, which are uncomfortably close. Because the company is moving next year to new studios on the South Bank, it will not be free of this pressure until mid-1972."

Mr. Freeman stresses that, while greatly relieved at the reduction in the television levy which took place at the beginning of 1971, he believes much damage has been done by the existing method of raising this tax. "The levy should surely be related to costs and profitability," he maintains.

"The present method, which creams the levy off the most effec-

tively destructive which could be devised."

Over the past three years during which LWT has been operating its franchise, it has earned from its television advertising £1,046,000 of net profit after levy, "in itself an inadequate figure on which to base the growth and development of a major television company."

In the same period LWT has paid to the Exchequer £8,559,000 in levy.

Dealing with the results, Mr. Freeman says that the trading profit before levy was well down (from £2,922m. to £3,371m.) because of additional programme expenditure.

The levy this year took £2,090m. compared with £2,990m. in 1969-70. Losses of £227,000 by subsidiary companies operating outside LWT's television activities, plus an exceptional provision of £400,000 for a loss on the sale of LWT's holding in Television International Operations, left a final balance of £14,000 compared with the £38,900 loss in the pre-

Rhine box girder bridge collapses

By Christopher Lorenz

FRANKFURT, Nov. 10.

PART OF a bridge under construction across the River Rhine near Koblenz collapsed this afternoon, killing and injuring a large number of workmen. Late to-night, nine deaths had been officially reported, and when the search of the river was called off till the morning, 14 workmen were still missing. Local reports said ten had been severely injured.

According to a spokesman for Philip Holzmann, the company which built the concrete piers, the bridge is of box girder construction, but the accident affected only the steel components.

The Transport Ministry of the state of Rhineland Palatinate said that while the actual cause of the accident was not yet officially known, it was pretty sure that part of the structure already in position had cracked, falling on to a ship below which was carrying the next bridge section, about to be hauled into position.

Sites reports added that 130 feet of the bridge had broken off with a loud crash, throwing over 30 workmen more than 50 feet into the water.

Early reports from the site had not made it clear whether the section affected was already attached to the bridge, or whether the accident had occurred while the new section was being swung into position.

The bridge, being cantilevered out from the piers, is about 1,060 feet long and links the main roads on each side of the Rhine just south of Koblenz. It was due to be completed next year. The Rhineland Palatinate Transport Ministry said that on official estimates the project would be put back by about six months.

● This is the latest in a series of incidents involving bridges of this type, the most publicised of which being those at Yarra and Milford Haven.

Sunday Times strike by print workers called off

BY ALEX HENDRY, LABOUR REPORTER

A STRIKE by print workers at the Sunday Times was called off yesterday following a meeting between the two sides at the Newspaper Publishers Association.

The dispute is over a decision

Home loans top £2,000m. in year for first time

BY SANDY McLACHLAN

BUILDING SOCIETY home loans have topped £2,000m. so far this year, the first time this figure has ever been achieved. With two months of the year still to run, the members of the Building Societies Association have lent £2,213m., and are committed to lend a further £787.5m. These figures suggest that building societies will actually lend £3,000m. more in the full year than the £2,500m. which they estimated would be required to meet mortgage demand. The previous record lending figure was the £1,966m. advanced to home buyers in 1970.

There is little doubt that the availability of such a large volume of mortgage finance from the building society movement has contributed to the tremendous recent upward surge in house prices. Coupled with a slow response from the building industry to increase the level of housing starts, the readily available mortgage funds have created a situation where housing demand has run far ahead of available supply of housing.

Nevertheless, the 35 per cent. increase in building society lending implied in a total lending of around £2,700m. this year runs far ahead of the acceleration in house prices, so that there is a considerable real increase in building society lending. Figures this week showing a 13 per cent. increase in the cost of new houses in the last year increase in building society mortgage lending.

In spite of the tremendous growth in building society lending over the last couple of years—1970 figures were up by a third on those of 1969—there is no sign of any tailing off. The £787.5m. figure for outstanding commitments is a new record, and it is likely to be exceeded in the coming year.

Clearly, in the prevailing conditions of stock market uncertainty, the building society package of competitive interest rates, security of capital and easy withdrawal facilities is still proving highly attractive to a very large number of investors.

The October figures published yesterday showed that the net inflow of funds topped £200m. for only the second time in the movement's history. But, in fact, the net inflow of £301.3m. is a clear record when adjustments are made for the amounts of interest credited to existing accounts—which fluctuates from month to month.

The October figures include only £8.2m. interest credited against a figure of around £90m. included in the all-time record inflow of £205m. recorded last December, and leaving aside interest, it is the highest-ever figure by £25m.

The October figures are particularly encouraging for the building societies, since they help to allay fears of a possible fall-off in net inflow following the recent announcement of lower interest rates both for lenders and borrowers.

On October 8 the Association announced a 4 per cent. cut in the rate to be paid on deposits, from 5 per cent. to 4½ per cent. tax paid. The mortgage rate was cut from 8½ per cent. to 8 per cent., although it was recognised that smaller societies might have to charge 8½ per cent.

The change in rates does not affect building society savers until January, but it is likely that, particularly in the case of new money coming in, any disincentive effect of lower rates would have started to show through immediately.

Clearly, in the prevailing conditions of stock market uncertainty, the building society package of competitive interest rates, security of capital and easy withdrawal facilities is still proving highly attractive to a very large number of investors.

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Weather

U.K. TO-DAY
England, Wales, Most: Rather cloudy. S. districts: Early.
Scotland, N. Ireland: C. first, with scattered rain, especially in N. Scotland, weather moving slowly S. Forth and Clyde V. lat evening.
Generally, temps. sin: rather higher than yes, England still rather cold.
London S.E. Cen. S. 11s E. Anglia, Channel W. Bright, becoming cl. Wind light variable, cold. Max 8C (46F).
Midlands E. S.W. N.W. 10s Wind light variable, cold. Max 8C (46F).
N. E. Anglia, Channel W. Cloudy, some rain. Cl. evening. Wind N.W. 11s. Max 8C (46F).
E. S.W. Scotland, Edin: Glasgow, N. Ireland: Cloudy, some rain. Cl. evening. Wind N.W. 11s. Max 8C (46F).
Rest of Scotland: Mostly, with some becoming brighter, per: showers. Wind N.W. Normal. Max 8C (46F).
OUTLOOK: Mostly dr: Rain spreading from W. Lighting-up: London

BUSINESS CENTRE

| City | Temp | Wind | Cloud |
|---------------|------|------|-------|
| Amsterdam | 10 | W | 45 |
| Bahrein | 27 | E | 10 |
| Bombay | 27 | E | 10 |
| Buenos Aires | 18 | E | 10 |
| Calcutta | 27 | E | 10 |
| Canton | 27 | E | 10 |
| Cebu | 27 | E | 10 |
| Colon | 27 | E | 10 |
| Hankow | 27 | E | 10 |
| Hong Kong | 27 | E | 10 |
| Kobe | 27 | E | 10 |
| London | 11 | W | 10 |
| Lyons | 11 | W | 10 |
| Manila | 27 | E | 10 |
| Medan | 27 | E | 10 |
| Osaka | 27 | E | 10 |
| Paris | 11 | W | 10 |
| Rangoon | 27 | E | 10 |
| San Francisco | 11 | W | 10 |
| Singapore | 27 | E | 10 |
| Tokyo | 27 | E | 10 |
| Yokohama | 27 | E | 10 |

| City | Temp | Wind | Cloud |
|---------------|------|------|-------|
| Algeria | 18 | E | 10 |
| Algiers | 18 | E | 10 |
| Amman | 18 | E | 10 |
| Baghdad | 18 | E | 10 |
| Bahrein | 27 | E | 10 |
| Bombay | 27 | E | 10 |
| Buenos Aires | 18 | E | 10 |
| Calcutta | 27 | E | 10 |
| Canton | 27 | E | 10 |
| Cebu | 27 | E | 10 |
| Colon | 27 | E | 10 |
| Hankow | 27 | E | 10 |
| Hong Kong | 27 | E | 10 |
| Kobe | 27 | E | 10 |
| London | 11 | W | 10 |
| Lyons | 11 | W | 10 |
| Manila | 27 | E | 10 |
| Medan | 27 | E | 10 |
| Osaka | 27 | E | 10 |
| Paris | 11 | W | 10 |
| Rangoon | 27 | E | 10 |
| San Francisco | 11 | W | 10 |
| Singapore | 27 | E | 10 |
| Tokyo | 27 | E | 10 |
| Yokohama | 27 | E | 10 |

VAUXHALL CAR SALES RISE 33%
Vauxhall sold 117,300 cars in Britain during the first months of this year, a 33 per cent increase on the figure for the same period of last year. Ten months, 104,000 B. trucks and vans were sold, than in the whole of 1970.